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

EL 17-055

#### 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**

# CROCKER WIND FARM, LLC'S POST-HEARING BRIEF

#### **INTRODUCTION**

Crocker Wind Farm, LLC ("Crocker"), submits this post-hearing brief to the South Dakota Public Utilities Commission ("Commission") in support of its Application for Energy Facility Permits for the proposed Crocker Wind Farm and related 345 kilovolt ("kV") transmission line (together, the "Project"). The record in this matter consists of the Application, pre-filed testimony, and detailed evidentiary hearing testimony and exhibits. Taken together, that record evidence demonstrates that the Commission should grant the requested permits for the Project, subject to the conditions proposed by Crocker, as set forth in more detail below.

### LEGAL STANDARD

Pursuant to South Dakota Codified Law ("SDCL") § 49-41B-22, Crocker has the burden

of proof to establish:

(1) The proposed facility will comply with all applicable laws and rules;

(2) The facility will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area;

(3) The facility will not substantially impair the health, safety or welfare of the inhabitants; and

(4) The facility will not unduly interfere with the orderly development of the region with due consideration having been

given the views of governing bodies of affected local units of government.

The Commission must make complete findings regarding a facility permit application and must grant, deny, or grant with conditions or modifications an energy facility permit.<sup>1</sup> The Commission must find that the Project meets the requirements of SDCL Ch. 49-41B.<sup>2</sup>

# **DISCUSSION**

# I. THE PROJECT WILL COMPLY WITH ALL APPLICABLE LAWS AND RULES.

The evidence submitted by Crocker demonstrates that the Project will comply with applicable laws and rules.<sup>3</sup> Neither Staff nor Intervenors have asserted otherwise or submitted evidence to the contrary. Thus, Crocker has met its burden of proof with respect to this factor.

# II. THE PROJECT DOES NOT POSE A THREAT OF SERIOUS INJURY TO THE ENVIRONMENT OR SOCIAL AND ECONOMIC CONDITIONS IN THE PROJECT AREA.

The evidence demonstrates that the Project does not pose a threat of serious injury to the environment or social and economic conditions in the Project Area, and that Crocker has adopted numerous avoidance and minimization measures, as well as commitments, to further limit potential environmental impacts. More specifically, Crocker has demonstrated that it will avoid and/or minimize impacts to:

- Geological resources;<sup>4</sup>
- Soil resources;<sup>5</sup>
- Hydrology;<sup>6</sup>
- Vegetation;<sup>7</sup>

<sup>&</sup>lt;sup>1</sup> SDCL § 49-41B-25.

 $<sup>^{2}</sup>$  Id.

<sup>&</sup>lt;sup>3</sup> See, e.g., Ex. A1 at 46-47 and Ch. 8.0 and 9.0.

<sup>&</sup>lt;sup>4</sup> *See* Ex. A1 at § 9.1.1.

<sup>&</sup>lt;sup>5</sup> *See* Ex. A1 at § 9.1.2.

 $<sup>^{6}</sup>$  See Ex. A1 at § 9.2.

<sup>&</sup>lt;sup>7</sup> See Ex. A1 at § 9.3.1.

- Wildlife;<sup>8</sup>
- Federally- and state-listed species;<sup>9</sup>
- Aquatic ecosystems;<sup>10</sup>
- Land use;<sup>11</sup>
- Recreation;<sup>12</sup>
- Conservation easements;<sup>13</sup>
- Noise;<sup>14</sup>
- Visual resources;<sup>15</sup>
- Telecommunications;<sup>16</sup>
- Air quality;<sup>17</sup>
- Socioeconomic and community resources;<sup>18</sup>
- Commercial, industrial, and agricultural sectors;<sup>19</sup>
- Transportation;<sup>20</sup> and,
- Cultural resources.<sup>21</sup>

This evidence is set forth in the Application and applicable testimony and will not be restated here; rather, Crocker will address those specific and discrete issues which were the focus of the evidentiary hearing.

# A. Environment.

The following issues with respect to the natural environment were discussed in detail at the evidentiary hearing:

<sup>9</sup> See Ex. A1 at §§ 9.3.3 and 9.3.4.

<sup>11</sup> See Ex. A1 at § 9.5.

- <sup>13</sup> See Ex. A1 at § 9.5.3.
- $^{14}$  See Ex. A1 at § 9.5.4.
- <sup>15</sup> See Ex. A1 at § 9.5.5.
- $^{16}$  See Ex. A1 at § 9.5.7.
- $^{17}$  See Ex. A1 at § 9.6.
- $^{18}$  See Ex. A1 at § 9.7.1.
- <sup>19</sup> See Ex. A1 at § 9.7.2.
- $^{20}$  See Ex. A1 at § 9.7.2.
- $^{21}$  See Ex. A1 at § 9.7.4.

<sup>&</sup>lt;sup>8</sup> See Ex. A1 at § 9.3.2.

<sup>&</sup>lt;sup>10</sup> See Ex. A1 at § 9.4.

<sup>&</sup>lt;sup>12</sup> See Ex. A1 at § 9.5.2.

- Compensatory mitigation for potentially-undisturbed, private grasslands;
- Potential wetland impacts;
- Potential avian impacts; and
- Tribal coordination, separate from the established Section 106 process being led by the U.S. Fish and Wildlife Service ("USFWS").

Each of these topics is addressed in more detail below.

1. <u>Compensatory Mitigation</u>.

Staff appears to believe that Crocker should be required to provide compensatory mitigation for potential impacts to undisturbed grasslands. However, Staff did not present testimony or other evidence in support of this position.<sup>22</sup> In pre-filed testimony, and at the evidentiary hearing, Mr. Kirschenmann stated that South Dakota does not have such a policy and that the South Dakota Game Fish and Parks ("GFP") has not endorsed any particular method for calculating such impacts.<sup>23</sup> Indeed, the evidence shows that it is GFP's position that "[p]reliminary findings indicate inconclusive evidence and it is clear further research needs to be conducted in the Northern Great Plains before a clear determination can be made on how wind turbines affect different wildlife species and to what degree."<sup>24</sup>

In contrast, USFWS has a policy requiring 1:1 mitigation for direct impacts to USFWS easements, and Crocker has voluntarily agreed to 2:1 mitigation.<sup>25</sup> The USFWS has a property interest in the Project Area, and a specified mitigation policy for impacts to its easements.<sup>26</sup> By contrast, the grasslands at issue here are private property where GFP does not have a property

<sup>&</sup>lt;sup>22</sup> See Ex. S1.

<sup>&</sup>lt;sup>23</sup> Evid. Hrg. Tr. (May 10, 2018) at 534 (Kirschenmann).

<sup>&</sup>lt;sup>24</sup> Evid. Hrg. Tr. (May 10, 2018) at 372-373 (Schmit).

<sup>&</sup>lt;sup>25</sup> See Ex. A15 at 7; Ex. A12 at 4.

<sup>&</sup>lt;sup>26</sup> Ex. A11 at 13.

interest.<sup>27</sup> The private landowners have the right to choose how they wish to use their properties, and they have chosen to participate in the Project. For example, Ms. Obermeier testified that the turbine on her property will be sited on grasslands.<sup>28</sup>

Further, the record demonstrates that Crocker coordinated with the USFWS and GFP to minimize impacts to potentially undisturbed grasslands by, among other things, siting Project facilities outside of high quality potentially undisturbed grasslands, and siting access roads, the collector system, crane pathways, and the transmission line along existing rights-of-way and infrastructure where it was possible to do so.<sup>29</sup> Crocker has also voluntarily committed to making a \$25,000 donation to a conservation interest as a show of good faith.<sup>30</sup>

# 2. <u>Wetland Impacts</u>.

Staff and Intervenors raised questions regarding the Project's potential impacts to wetlands. However, the record demonstrates that Crocker has minimized impacts to wetlands and wetland basins. Specifically, the Project will permanently impact only 0.2 acres of wetlands and will avoid permanent impacts to wetland basins.<sup>31</sup> In addition, any temporary impacts to wetlands from linear facilities will be mitigated under the U.S. Army Corps of Engineers Nationwide Permit 12.<sup>32</sup>

#### 3. <u>Avian Impacts</u>.

The issue of potential avian impacts was discussed at the evidentiary hearing. Crocker has now done three years of pre-construction avian surveys.<sup>33</sup> Those surveys indicated that the

<sup>&</sup>lt;sup>27</sup> Evid. Hrg. Tr. (May 10, 2018) at 533 (Kirschenmann).

<sup>&</sup>lt;sup>28</sup> Ex. A17 at 5; Evid. Hrg. Tr. (May 10, 2018) at 461-462 (Obermeier); see also Ex. A18 at 4-5.

<sup>&</sup>lt;sup>29</sup> See Ex. A11 at 4, Ex. A12 at 3 and 6, Ex. A1 at 72.

<sup>&</sup>lt;sup>30</sup> Ex. A15 at 7.

<sup>&</sup>lt;sup>31</sup> Evid. Hrg. Tr. (May 9, 2019) at 182-183 (Anderson).

<sup>&</sup>lt;sup>32</sup> Evid. Hrg. Tr. (May 9, 2019) at 183 (Anderson).

<sup>&</sup>lt;sup>33</sup> Ex. A13 at 4.

Project will not result in significant avian impacts.<sup>34</sup> As Ms. Pickle testified, applicable studies have shown little impact on waterfowl behavior as a result of wind projects.<sup>35</sup> Further, while the Project Area may have high avian use, that does not mean the Project will result in high avian mortality.<sup>36</sup> Rather, the evidence shows that avian impacts from the Project will be similar to other wind projects in Minnesota and South Dakota.<sup>37</sup>

Further, Crocker has developed a Bird and Bat Conservation Strategy ("BBCS").<sup>38</sup> The BBCS was developed consistent with the USFWS Land-Based Wind Energy Guidelines and contains detailed discussions of minimization measures that will be used to limit impacts to avian and bat species during construction and operation of the Project.<sup>39</sup> Crocker has also committed to two years of post-construction avian mortality monitoring.<sup>40</sup> If the results of that monitoring show unexpectedly high avian impacts, Crocker will coordinate with applicable agencies to determine what additional mitigation or operational changes should be incorporated into the BBCS.<sup>41</sup>

Mr. Paulson proposes a three-mile setback from Reid Lake.<sup>42</sup> However, there is no evidence in the record supporting this requested setback. Neither GFP nor USFWS have recommended such a setback for the Project. Further, at the evidentiary hearing, Mr. Paulson admitted that he does not have any basis for the three-mile setback.<sup>43</sup> Ms. Pickle also testified

<sup>&</sup>lt;sup>34</sup> See Ex. A13 at 7-8.

<sup>&</sup>lt;sup>35</sup> See Evid. Hrg. Tr. (May 10, 2018) at 328-329, 332 (Pickle).

<sup>&</sup>lt;sup>36</sup> Ex. A13 at 7-8.

<sup>&</sup>lt;sup>37</sup> Ex. A13-11 at 31.

<sup>&</sup>lt;sup>38</sup> *See* Ex. A13-11.

<sup>&</sup>lt;sup>39</sup> *See* Ex. A13-11 at 41-48.

<sup>&</sup>lt;sup>40</sup> See Evid. Hrg. Tr. (May 10, 2018) at 294 and 328-333 (Pickle), Ex. A13-11 at 39, and Crocker's Recommended Permit Condition 37.

<sup>&</sup>lt;sup>41</sup> See Ex. A13-11 at 39.

<sup>&</sup>lt;sup>42</sup> Ex. I-53 at line 134.

<sup>&</sup>lt;sup>43</sup> See Evid. Hrg. Tr. (May 10, 2018) at 496 (Paulson).

that a three-mile setback was not warranted based on the avian survey work conducted for the Project.<sup>44</sup> Thus, there is no basis for a three-mile setback from Reid Lake.<sup>45</sup>

### 3. <u>Tribal Consultation</u>.

In testimony on behalf of Staff, Ms. Olson asserted that Crocker should be required to coordinate with Tribal Historic Preservation Officers ("THPOs") in the vicinity of the Project.<sup>46</sup> Ms. Olson acknowledged that the USFWS is already conducting nation-to-nation consultation with tribes under the federal Section 106 process and that, as part of that process, interested tribes have the opportunity to review and comment on the portions of the Project subject to USFWS jurisdiction.<sup>47</sup> Ms. Olson further acknowledged that there is no corresponding state requirement for or process governing tribal consultation, and that SHPO would not be able to engage in or oversee voluntary tribal engagement.<sup>48</sup> Ms. Olson also testified that she has issued concurrences on cultural resource reports for past projects where tribal outreach was not conducted.<sup>49</sup>

Thus, the record evidence, taken as a whole, does not support Ms. Olson's recommended requirement. Rather, the evidence shows that tribal outreach has been appropriate for the Project, considering the availability of the Section 106 process, lack of known sites of tribal significance in the Project Area, the private ownership status of the property within the Project Area, and the lack of a state requirement or process for tribal consultation.<sup>50</sup>

Finally, Staff and Crocker have agreed upon the following conditions with respect to cultural resources, which are in addition to Crocker's commitment to avoid cultural resources:

<sup>&</sup>lt;sup>44</sup> Ex. A13 at 8.

<sup>&</sup>lt;sup>45</sup> See Ex. A13 at 8; Evid. Hrg. Tr. (May 10, 2018) at 496 (Paulson).

<sup>&</sup>lt;sup>46</sup> Ex. S3 at 4.

<sup>&</sup>lt;sup>47</sup> Evid. Hrg. Tr. (May 10, 2018) at 513-515 (Olson).

<sup>&</sup>lt;sup>48</sup> Evid. Hrg. Tr. (May 10, 2018) at 516 (Olson).

<sup>&</sup>lt;sup>49</sup> Evid. Hrg. Tr. (May 10, 2018) at 530 (Olson).

<sup>&</sup>lt;sup>50</sup> *See* Ex. A14 at 7.

The Applicant agrees to avoid direct impacts to cultural resources that are unevaluated, eligible for or listed in the National Register of Historic Places (NRHP). When NRHP unevaluated, eligible or listed site cannot be avoided, Applicant shall notify the State Historic Preservation Office (SHPO) and the Commission of the reasons that complete avoidance cannot be achieved in order to coordinate minimization and/or treatment measures.

The Applicant agrees to develop an unanticipated discovery plan for cultural resources and follow South Dakota Codified Laws 34-27-25, 34-27-26 and 34-27-28 for the discovery of human remains.

The Applicant shall file the final cultural resources report with the Commission prior to construction. If any potential adverse impacts are found in the final cultural resources report, the Applicant shall file with the Commission a report describing the SHPO-approved planned measures to ameliorate those impacts.<sup>51</sup>

These additional commitments, together with the extensive cultural resources surveys Crocker has conducted and its avoidance commitment, demonstrate that the Project will not "pose a threat of serious injury" to cultural resources.

# **B.** Social and Economic Conditions.

With respect to social and economic conditions, discussion at the evidentiary hearing largely focused on potential property value impacts. There was no testimony or evidence presented showing that the Project would have negative property value impacts. Rather, as Mr. MaRous testified, there is evidence from across the United States (including the Midwest) concluding that wind projects do not adversely impact property values.<sup>52</sup> The research conducted by Mr. MaRous for the Project supports that this conclusion holds true for South Dakota, as well.<sup>53</sup>

<sup>&</sup>lt;sup>51</sup> See Crocker's Recommended Permit Conditions 12 through 14.

<sup>&</sup>lt;sup>52</sup> See Ex. A16 at 10, 11-12.

<sup>&</sup>lt;sup>53</sup> *See* Ex. A16 at 5-7.

Staff witness Mr. Lawrence did express some critiques of Mr. MaRous' analysis, but he did not present any evidence refuting Mr. MaRous' conclusion.<sup>54</sup> Further, when Staff and the Commission questioned Mr. MaRous and Mr. Lawrence about imposing a property value guarantee on Crocker, both experts agreed that they did not support imposition of a property value guarantee requirement.<sup>55</sup>

Apart from the issue of property value, the evidence in the record shows the Project's positive impact on the community.<sup>56</sup> Both Ms. Obermeier and Ms. Christman testified regarding their support for the Project and their eagerness to be participating landowners.<sup>57</sup> The testimony also showed that the Project began in the community and was brought to Geronimo by a group of area landowners.<sup>58</sup> In addition to the Project's direct economic benefits, the Project will also benefit local organizations in the community through Geronimo's commitment to create an independently directed community fund and to provide that fund with \$200 per MW installed capacity per year for 20 years.<sup>59</sup> Overall, Geronimo has a history of successfully developing projects that have positive impacts on the surrounding community, and the record shows that will be the case here, as well.<sup>60</sup>

# III. THE PROJECT WILL NOT SUBSTANTIALLY IMPAIR HEALTH, SAFETY, OR WELFARE.

With respect to health, safety, and welfare, the primary issues at the evidentiary hearing related to sound and aviation, each of which is discussed in more detail below. Overall, the

<sup>&</sup>lt;sup>54</sup> See Evid. Hrg. Tr. (May 11, 2018) at 632 (Lawrence) (stating that he did not conduct a study for the Project and cannot offer an opinion as to the Project's potential impact on property values).

<sup>&</sup>lt;sup>55</sup> Evid. Hrg. Tr. (May 11, 2018) at 614-617 (MaRous) and 648-649 (Lawrence).

<sup>&</sup>lt;sup>56</sup> See, e.g., Ex. A1 at 16; Ex. A5 at 13-14.

<sup>&</sup>lt;sup>57</sup> See Ex. A17 and Ex. A18; see also Evid. Hrg. Tr. (May 10, 2018) at 452-460 (Christman); Evid. Hrg. Tr. (May 10, 2018) at 460-465 (Obermeier).

<sup>&</sup>lt;sup>58</sup> See Ex. A5 at 5.

<sup>&</sup>lt;sup>59</sup> See Ex. A1 at 16 and Ex. A17 at 3.

<sup>&</sup>lt;sup>60</sup> See, e.g., Ex. A1 at 16, 112-115.

record evidence shows that the Project will not substantially impair health, safety, or welfare and will instead (as discussed previously) result in positive impacts for the community.

### A. Sound.

At the evidentiary hearing, Crocker's sound expert Mr. Duncan presented a proposed condition regarding Project noise.<sup>61</sup> Staff expert Mr. Hessler agreed with that condition.<sup>62</sup> There is no testimony or other evidence in this record showing that such a condition is not reasonable or that the Project will have unacceptable sound impacts.

### **B.** Aviation.

In his testimony, Mr. Stevens expressed concern about the impacts of the Project on aviation – particularly upon his private airstrip.<sup>63</sup> Crocker presented testimony showing that Crocker had made good faith efforts to work with Mr. Stevens to address his concerns, and ultimately removed two turbines in response to those concerns.<sup>64</sup> At the evidentiary hearing, Mr. Stevens acknowledged that Crocker had addressed his concerns.<sup>65</sup>

# IV. THE PROJECT WILL NOT UNDULY INTERFERE WITH ORDERLY DEVELOPMENT IN THE REGION.

The record shows that the Project will not unduly interfere with orderly development in the Project vicinity. First, as discussed previously, the weight of the evidence shows that wind projects do not have negative impacts on property values.<sup>66</sup> Further, the evidence demonstrates that the Project will have substantial positive economic benefits on the surrounding community.<sup>67</sup> Second, Clark County has issued a conditional use permit for the Project and, as

 $<sup>^{61}</sup>$  Evid. Hrg. Tr. (May 9, 2018) at 147 (Duncan); see also Crocker's Recommended Permit Condition 29.

<sup>&</sup>lt;sup>62</sup> Evid. Hrg. Tr. (May 10, 2018) at 445 (Hessler).

<sup>&</sup>lt;sup>63</sup> Ex. I-54 at 2.

<sup>&</sup>lt;sup>64</sup> Ex. A10 at 1-2.

<sup>&</sup>lt;sup>65</sup> Evid. Hrg. Tr. (May 10, 2018) at 506-507 (Stevens).

<sup>&</sup>lt;sup>66</sup> See, e.g., Ex. A16 at 6, 7, 14; Ex. A1 at § 9.7.

<sup>&</sup>lt;sup>67</sup> See, e.g., Ex. A5 at 13-14.

such, determined that the Project complies with the County's requirements.<sup>68</sup> Third, Crocker has coordinated with other infrastructure owners in the Project Area, such as Interstate Telecommunications Cooperative, to resolve any concerns.<sup>69</sup>

#### V. OTHER ISSUES.

#### A. Micrositing Flexibility.

The record demonstrates that it is reasonable for the Commission to grant Crocker postpermit flexibility to make certain shifts in turbine locations without further Commission approval.<sup>70</sup> As discussed in pre-filed testimony and at the hearing, this flexibility would help Crocker avoid cultural resources, address the results of geotechnical surveys, and be responsive to landowner input.<sup>71</sup>

Crocker previously requested that it be allowed to shift turbines up to 1,000 feet without further Commission approval.<sup>72</sup> Crocker continues to believe that this request is reasonable and consistent with other jurisdictions' permitting of wind projects. However, after further discussion with Staff, Crocker and Staff have agreed to the guidelines and process set forth in Paragraph 23 of the attached Recommended Permit Conditions, which Crocker requests the Commission adopt.<sup>73</sup> Under this process, Crocker would be allowed to make turbine adjustments of 325 feet or less without prior Commission approval, as long as the adjustment complies with specified noise and shadow flicker requirements, avoids cultural resources and sensitive species habitat, and avoids wetland impacts to the extent practicable. Any other adjustment would be considered a "material change" for which Crocker would seek Commission

<sup>&</sup>lt;sup>68</sup> See Ex. A1 at 47, 141.

<sup>&</sup>lt;sup>69</sup> See Evid. Hrg. Tr. (May 10, 2018) at 362 (Schmit); Ex. A1 at 109-110.

<sup>&</sup>lt;sup>70</sup> See Ex. A1 at 19-20; Ex. A15 at 7-9; Evid. Hrg. Tr. (May 10, 2018) at 366-369 (Schmit).

<sup>&</sup>lt;sup>71</sup> See Ex. A15 at 7-9; Evid. Hrg. Tr. (May 10, 2018) at 366-369 (Schmit).

<sup>&</sup>lt;sup>72</sup> See Ex. A1 at 19-20; Ex. A15 at 7-9.

<sup>&</sup>lt;sup>73</sup> See Crocker's Recommended Permit Conditions.

approval under the process identified in Recommended Permit Condition 23. Crocker believes that the guidelines and process are consistent with the record and provide for both avoidance of environmental features and an efficient construction timeline.

Crocker also requested flexibility to adjust access roads, the collector system, and temporary facilities, as needed, so long as they are located on leased land, cultural resources are avoided, sensitive species habitat is avoided, wetland impacts are avoided to the extent practicable, and all other applicable regulations and requirements are met. Neither Staff nor the Intervenors offered testimony regarding this proposal. Crocker and Staff have agreed to Recommended Permit Condition 24, and Crocker requests that the condition be incorporated into the permit issued.<sup>74</sup>

Additionally, with respect to the transmission line, Crocker requested the ability to shift structures so long as they remain within the easement acquired, impacts to cultural resources and sensitive habitat are avoided, and wetland impacts are avoided to the extent practicable. No testimony or opposition to this request was provided by Staff or the Intervenors. In light of the "material change" provision agreed to with Staff for turbine shifts, Crocker proposes that the same review process be utilized for "material changes" to the transmission line, which would be any changes that fall outside of the 150-foot-wide right-of-way identified in the Application, or do not meet the above-stated limitations. Crocker and Staff have agreed to Recommended Permit Condition 25, and Crocker requests that the condition be incorporated into the permit.<sup>75</sup>

### B. Decommissioning.

At the evidentiary hearing, the Commission raised the issue of Project decommissioning. Crocker will commit to the following condition:

 <sup>&</sup>lt;sup>74</sup> See Crocker's Recommended Permit Conditions.
<sup>75</sup> Id

At least thirty days prior to commencing operation of the Project, Applicant agrees to provide decommissioning financial security for the portion of the Project to be commissioned. Financial security will be provided as a letter of credit in the amount of fifty percent of the estimated decommissioning cost, based on an estimated per turbine decommissioning cost of \$100,000. Following year ten of operation, Applicant will submit an updated decommissioning cost estimate, and the amount of decommission. Financial security may be reevaluated by the Commission. Financial security for decommissioning will be provided for each subsequent portion of the Project constructed pursuant to the terms set forth above.<sup>76</sup>

This condition is in excess of the condition proposed by Staff in pre-filed testimony.<sup>77</sup> Furthermore, Crocker believes the proposal of fifty percent of decommissioning costs as financial security in years one through ten is appropriate for the reasons Mr. Kearney stated in his testimony at the evidentiary hearing:

That physical plant will obviously have some value to it that if the owner goes under, I'm guessing somebody would be looking at buying that project and keeping it in service. When you look at trying to come up with a bond or financial assurance, you're kind of mitigating the risk of a project going under, and early on in the life of a project staff felt that there wasn't a lot of risk to that occurring in the first 10 years, particularly due to the dollars on the table with the production tax credit.<sup>78</sup>

Thus, the record supports the condition proposed by Crocker for the Project. Crocker and Staff

have agreed to Recommended Permit Condition 39, and Crocker requests that it be incorporated

into the permit issued.

# C. Public Liaison Officer.

Crocker understands that Staff intends to recommend that the Commission impose upon

Crocker the same condition requiring a public liaison officer that was required of the applicants

for the Dakota Access Pipeline and the two Keystone Pipelines. This issue was not raised in

<sup>&</sup>lt;sup>76</sup> Crocker's Recommended Permit Condition 39.

<sup>&</sup>lt;sup>77</sup> See Ex. S1 at 12.

<sup>&</sup>lt;sup>78</sup> Evid. Hrg. Tr. (May 11, 2018) at 664-65 (Kearney).

public comment or at the evidentiary hearing, and there is no evidence in the record supporting the imposition of such a condition here.

Staff has indicated that its justification for this condition is the contentiousness of this docket, evidenced by the number of intervenors. However, while there were initially 64 intervenors in this docket, they were all individuals represented by the same attorney, and all but two of those intervenors requested to be allowed to withdraw from this docket, and that request was granted.<sup>79</sup> Thus, only two intervenors participated in the evidentiary hearing. At the hearing, Mr. Stevens testified that his major concern had been resolved, and Mr. Paulson testified regarding an arbitrary request for a three-mile setback from the Reid Lake Complex – thus, the issues raised by intervenors were far from contentious.<sup>80</sup>

Further, it should go without saying that the Project is different than a pipeline. Here, all Project facilities and construction will take place on property subject to voluntary easements with landowner-partners, unlike Dakota Access and Keystone, where a number of easements were condemned. Further, Project operations and maintenance staff will be working at the Project site for the life of the Project, and will be readily accessible to the public. For example, the Project will have an on-site operations and maintenance facility that will be staffed by Project employees, and telephone numbers will be posted on-site if a member of the public has a question or concern about the Project.

This Project did not involve issues close to the level of contentiousness of the Dakota Access Pipeline or the Keystone Pipelines, and it is not proper to propose such a condition at this late stage without any record support.

<sup>&</sup>lt;sup>79</sup> Order Granting Withdrawal of Party Status (April 9, 2018).

<sup>&</sup>lt;sup>80</sup> See Evid. Hrg. Tr. (May 10, 2018) at 506-507 (Stevens); Evid. Hrg. Tr. (May 10, 2018) at 496 (Paulson).

#### **CONCLUSION**

The record demonstrates that Crocker has met its burden of proof to establish that: (1) the Project will comply with applicable laws and rules; (2) the Project does not pose a threat of serious injury to the environment or social and economic conditions; (3) the Project will not substantially impair health, safety, or welfare; and (4) the Project will not unduly interfere with orderly development. The record further demonstrates that, in addition to meeting those criteria, the Project will benefit local landowners and the community. Accordingly, Crocker respectfully requests that the Commission grant Energy Facility Permits for the Project on the terms and conditions set forth in the attached Recommended Permit Conditions.

Dated: May 29, 2018

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