

June 24, 2020

#### **BY US MAIL**

South Dakota Public Utilities Commission Capitol Building, 1st floor 500 E. Capitol Ave. Pierre, SD 57501-5070

Dear Sir or Madam:

As required under 18 C.F.R. §366.7(a) of the Federal Energy Regulatory Commission's ("FERC") regulations, enclosed is a copy of the Notice of Self-Certification of Exempt Wholesale Generator status that Deuel Harvest Wind Energy LLC filed (on the same date of this letter) with the FERC pursuant to FERC's rules under the Public Utility Holding Company Act of 2005.

Sincerely,

Laura V. Szabo

Counsel for Deuel Harvest Wind Energy LLC-

RECEIVED

JUL 1 3 2020 SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

#### UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Deuel Harvest Wind Energy LLC

Docket No. EG20-\_\_\_-000

### NOTICE OF SELF-CERTIFICATION OF EXEMPT WHOLESALE GENERATOR STATUS

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Pursuant to Section 366.7(a) of the Federal Energy Regulatory Commission's (the

"Commission") rules1 implementing the Public Utility Holding Company Act of 2005 ("PUHCA

2005"), enacted by the Energy Policy Act of 2005 §§ 1261 et seq.,<sup>2</sup> Deuel Harvest Wind Energy

LLC ("Deuel Harvest") hereby submits this notice of self-certification that it is an exempt

wholesale generator ("EWG") as defined in Section 366.1 of the Commission's rules.<sup>3</sup>

## I. CORRESPONDENCE AND COMMUNICATIONS

All communications and correspondence regarding this notice should be sent to the following persons who are authorized to receive service:

Laura V. Szabo Crowell & Moring LLP. 590 Madison Ave. 20<sup>th</sup> Floor New York, NY 10022-2524 Phone: (212) 895-4271 Lszabo@crowell.com

<sup>&</sup>lt;sup>1</sup> 18 C.F.R. § 366.7(a).

<sup>&</sup>lt;sup>2</sup> Pub. L. No. 109-58, 119 Stat. 594 (2005).

<sup>&</sup>lt;sup>3</sup> 18 C.F.R. § 366.1.

#### **II.** DESCRIPTION OF DEUEL HARVEST

#### A. Deuel Harvest's Ownership Structure

Deuel Harvest is an indirect subsidiary of Invenergy Renewables LLC ("Invenergy"), which is in the business of developing or acquiring, through subsidiaries, electric generation facilities and related interconnection facilities.<sup>4</sup>

### B. Deuel Harvest's Existing and Potential Proposed Activities

#### 1. Deuel Harvest Project and Power Sales

Deuel Harvest is constructing and will own and operate an approximately 301.14 MW wind generation project that will be located in Deuel County, South Dakota (the "Deuel Harvest Project"). Deuel Harvest will sell electric energy, capacity and/or ancillary services exclusively at wholesale.<sup>5</sup> The Deuel Harvest Project is estimated to begin test power operations in the future.

The Deuel Harvest Project will include limited electric interconnection facilities necessary to effectuate wholesale power sales from the Deuel Harvest Project.<sup>6</sup> The Deuel Harvest Project will be interconnected to transmission facilities owned by Otter Tail Power Company.

<sup>&</sup>lt;sup>1</sup> While Deuel Harvest is an indirect subsidiary of Invenergy at the time of the filing of this notice, in the future, Deuel Harvest's upstream ownership may change.

<sup>&</sup>lt;sup>5</sup> Such sales will be made to third-parties through bilateral agreements or through a power exchange. The Commission has determined that sales through a power exchange are considered wholesale sales for EWG purposes. See Southern California Edison Co., 80 FERC ¶ 61,262 (1997). Deuel Harvest may also purchase power and resell it at wholesale to third parties. An EWG is permitted to resell at wholesale power that it has not generated. See CNG Power Services Corp., 71 FERC ¶ 61,378 (1995).

<sup>&</sup>lt;sup>6</sup> Deuel Harvest may occasionally obtain from third-parties back-up power that Deuel Harvest may need for station power to operate its Deuel Harvest Project when Deuel Harvest is not self-supplying its station power load. Such back-up or station power would be delivered to the Deuel Harvest Project over the interconnection facilities in which Deuel Harvest will own interests. EWGs may use their interconnection facilities to transmit back-up power to their generation facilities. *See Zond Systems, Inc.*, 81 FERC ¶61,001 (1997).

# 2. Deuel Harvest's Other Potential Incidental Activities

In connection with developing, owning and operating the Deuel Harvest Project, Deuel

Harvest may also engage in the following incidental activities that the Commission has found to

be permissible EWG activities:

- sell ancillary services available from the Deuel Harvest Project which are incidental to, and by-products of, the Deuel Harvest Project's operations as a wholesale power generator;<sup>7</sup>
- purchase and sell congestion revenue rights that Deuel Harvest needs for the Deuel Harvest Project's power sale operations;<sup>9</sup>
- resell excess fuel supplies or assign its excess fuel transportation capacity provided that such sales be made only if such fuel supplies or transportation were originally contracted by Deuel Harvest to operate the Deuel Harvest Project;<sup>10</sup>
- trade emission allowances consistent with the Commission's limitation that an EWG may only engage in such trading so long as the emission allowances were originally obtained in the normal course of operating the Deuel Harvest Project;<sup>11</sup>
- sell "green" power certificates or credits consistent with the Commission's limitation that an EWG may sell such certificates or credits where they are associated with power produced by the Deuel Harvest Project;<sup>12</sup>
- lease or rent property to third parties but to the extent a lease arrangement is not reasonably necessary to Deuel Harvest's wholesale power business and a rental fee is

<sup>&</sup>lt;sup>7</sup> The ancillary services that Deuel Harvest may sell would include reactive power and voltage support, regulation and frequency response services, load following, energy balancing services, spinning and supplemental reserves, blackstart capability, and/or any other ancillary services consistent with the Commission's rules or as otherwise permitted by the Commission. *See, e.g., Duke Energy Oakland, LLC,* 83 FERC ¶ 61,304 (1998); *Sithe Framingham, LLC,* 83 FERC ¶ 61,106 (1998).

<sup>&</sup>lt;sup>8</sup> See CNG Power Services Corp., 71 FERC ¶ 61,026, at 61,103-04 (1995).

<sup>&</sup>lt;sup>9</sup> See Duquesne Power, LP, 106 FERC ¶ 61,104 (2004).

<sup>&</sup>lt;sup>10</sup> See Selkirk Cogen Partners, L.P., 69 FERC ¶ 61,037, 61,168-69 (1994).

<sup>&</sup>lt;sup>11</sup> See UGI Development Co., 89 FERC ¶ 61,192 (1999).

<sup>&</sup>lt;sup>12</sup> See Madison Windpower, LLC, 93 FERC ¶ 61,270 (2000).

received above a nominal amount, Deuel Harvest will, consistent with EWG precedent, donate or transfer such rental revenues to a non-affiliated entity;<sup>13</sup>

- engage in project development activities associated with the Deuel Harvest Project. Such project development activities may include, but are not necessarily limited to, the following activities: due diligence; site investigations; feasibility studies; preliminary design and engineering; licensing and permitting; negotiation of asset and land acquisitions; negotiation of contractual commitments with lenders, equity investors, governmental authorities and other project participants and such other activities as may be necessary to financially close on eligible facilities; negotiation of power sales contracts; equipment purchases; fuel supply; engineering, construction, interconnection, and related matters; preparation and submission of bid proposals; and development of financing programs related to owning or operating the Deuel Harvest Project and/or additional electric generation facilities that satisfy the criteria for EWG status;<sup>14</sup> and
- engage in other activities incidental to the sale of electric energy at wholesale that are consistent with the Commission's EWG precedent.

### III. DEUEL HARVEST REPRESENTATIONS REGARDING EXEMPT WHOLESALE GENERATOR STATUS

Deuel Harvest makes the following representations in order to demonstrate that it meets

the Commission's definition of an EWG under Section 366.1 of the Commission's regulations.

A. Deuel Harvest will be engaged directly and exclusively in the business of owning

or operating, or both owning and operating, all or part of one or more Eligible Facilities<sup>15</sup> and

selling electric energy at wholesale. The Deuel Harvest Project, including the interconnection

facilities described in Section II.B.1 above, satisfy the definition of Eligible Facilities because

they will be used for the generation of electric energy exclusively for sale at wholesale.

Consistent with the Commission's EWG precedent, the activities described in Section II.B.2

<sup>&</sup>lt;sup>13</sup> See, e.g., Duke Energy Hot Spring, LLC, 98 FERC ¶61,287 (2002); PSEG Fossil, LLC, et al., 95 FERC ¶ 61,405 (2001).

<sup>&</sup>lt;sup>14</sup> See, e.g., Empresa Valley Hermoso, S.A., 72 FERC ¶ 61,306 at 62,288 (1995). Deuel Harvest will, to the extent required by the Commission, file a new notification of EWG status if it acquires ownership and/or operating interests in any additional Eligible Facilities not described herein or EWGs.

<sup>&</sup>lt;sup>15</sup> Section 366.1 of the Commission's regulation adopts by reference Section 32(a)(2) of the Public Utility Holding Company Act of 1935 ("PUHCA 1935"), 15 U.S.C. § 79z-5a(a)(2), which defines the term eligible wholesale facilities ("Eligible Facilities"). Thus, the term Eligible Facilities as used herein has the meaning ascribed to it in Section 32(a)(2) of PUHCA 1935.

above that Deuel Harvest may engage in will be incidental to the wholesale generation business and will not violate the EWG exclusivity requirement.

B. Deuel Harvest will not make any foreign sales of power at retail.

C. Deuel Harvest will only own or control interconnection facilities that will be necessary to effectuate the Deuel Harvest Project's wholesale power sales.

D. No rate or charge for, or in connection with, the construction of the Deuel Harvest Project or for electric energy produced by the Deuel Harvest Project was in effect under the laws of any state as of October 24, 1992. Accordingly, no state commission determinations pursuant to Section 32(c) of the Public Utility Holding Company Act of 1935 are required.

E. Except for other EWGs, no portion of the Deuel Harvest Project will be owned or operated by an Electric Utility Company that is an Affiliate or Associate Company<sup>16</sup> of Deuel Harvest.<sup>17</sup>

In accordance with Section 366.7(a) of the Commission's regulations,<sup>18</sup> a copy of this notice of self-certification was concurrently served upon the South Dakota Public Utilities Commission.

<sup>&</sup>lt;sup>16</sup> The terms "Electric Utility Company," "Affiliate" and "Associate Company" have the meanings ascribed to them in Section 366.1 of the Commission's regulations.

<sup>&</sup>lt;sup>17</sup> See Buffalo Gap 2, supra, at P 13 (interpreting Section 32(d)(1) of PUHCA 1935, incorporated into the definition of "exempt wholesale generator" in Section 366.1 of the Commission's regulations, "as not precluding co-ownership (or joint operation) by affiliated EWGs".)

<sup>&</sup>lt;sup>18</sup> 18 C.F.R. §366.7(a).

# IV. CONCLUSION

For the reasons set forth in this notice of self-certification, Deuel Harvest satisfies the requirements for EWG status.

Dated: June <u>24</u>, 2020

Respect	fully submitted,
DocuSigned by:	DocuSigned by:
	Name: Meghan Schultz Title: Authorized Signatory of Deuel Harvest Wind Energy Center LLC

# CERTIFICATE OF SERVICE

I hereby certify that Deuel Harvest Wind Energy Center LLC's foregoing Notice of Self-Certification of Exempt Wholesale Generator Status was served this  $\frac{24th}{2}$  day of June, 2020, by first-class mail, postage prepaid, upon the following:

South Dakota Public Utilities Commission Capitol Building, 1st floor 500 E. Capitol Ave. Pierre, SD 57501-5070

/s/ Laura V. Szabo

Laura V. Szabo