

From: Richard Emerson [REDACTED]
Sent: Thursday, May 6, 2021 8:13 AM
To: PUC-PUC <PUC@state.sd.us>
Subject: Re: [EXT] EL21-011 Response

My full contact information is Richard Emerson, [REDACTED] Rapid City, SD, 57701. Email is as enclosed, [REDACTED] I believe the specific commission docket is EL21-011, which I used as the subject line. Thank you.

Dear Public Utilities Commissioners,

This communication addresses EL21-011 and Black Hills Power's application to amend its cogeneration and small power production service tariff. After following print and TV news articles and researching the issue, I felt compelled to write the Commission.

I am a 30-year resident of Rapid City, South Dakota, a U.S. Navy nuclear submarine service veteran, and have a Master of Management degree from Atkinson Graduate School of Management at Willamette University. Work experiences include management positions with Sodak Gaming-IGT and Golden West Technologies – other regulated entities.

In a nutshell, the BHE tariff request seems a bit one-sided and somewhat a restraint of trade. Points include:

- Customers will purchase 100% of their electricity, including that which they produce through their own systems.
- BHE power-in is at the going rate while any customer excess power-out is at a fraction of that rate.
- The customer has to rent a production meter at \$10 per month.
- BHE will install, own, operate, and maintain the customer's production meter.
- The customer has to pay for an interconnection study - \$100 plus \$1 per Kw up to \$1,000.
- No more bidirectional meter for new customers – or after 2041.

I do not agree with a monthly production meter rental, as BHE is retaining ownership the meter. I realize the grid has sunk, fixed, and variable costs – those come with the cost of doing business. My residential meter has been replaced once in 30 years – at the discretion of BHP during their own retrofits. But trying to make a profit center out of your customer supplying BHE with excess energy seems counterintuitive. Where is the quid pro quo?

Digging into the topic, I find where BHE is pursuing renewable energy. Their Form 10K states, "Proactively integrate alternative and renewable energy into our utility energy supply while mitigating and remaining mindful of customer rate impacts."

The PVTECH website highlights what is happening in Pueblo County, Colorado. In April of this year, "utility group Black Hills Energy has signed a 15-year power purchase agreement (PPA) with solar energy company 174 Power Global for its first large-scale solar power project in Colorado, US.

174 Power Global, the US-based solar development arm of South Korean conglomerate Hanwha, will break ground on the 200MW Turkey Creek Solar facility in Pueblo County, Colorado, in 2022, with the project set to come online in 2023, according to a statement.

It is the first utility-scale solar project, and largest renewables project to-date, Black Hills has announced, as the utility begins to move away from coal-fired energy generation. The company has added three wind farms in the south of the state, with a total 150MW of generating capacity, after closing its last coal-fired power facility in the state nine years ago. Black Hills' plan to develop the Tukey Creek Solar project was first announced earlier this year".

To continue, the BHE website states, "Our analysis affirmed that Renewable Advantage would provide far-reaching economic and environmental benefits to our customers in terms of cost savings and a broad, "ripple effect" of benefits through local, state, and federal taxes paid, construction jobs created and lower carbon emissions, among others".

I understand BHE sells excess power. In 2020, from their Form 10K, Net Income was \$228 million. Contracted Wholesale was \$17,847,000 and Off System Power Marketing Wholesale was \$24,308,000 – both Net. BHE is a financially-solid company.

The one-sided tariff request would severely limit the customer's ability to recoup their investment, would increase their costs, and seems to promote monopolization of renewable energy. Please do not approve the EL21-011 application to amend Black Hills Power's cogeneration and small power production service tariff. Thank you.

Yours truly,
Richard Emerson