

20 April 2021

Public Utilities Commission  
Capitol Building, 1<sup>st</sup> Floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070



RE: Request to Intervene in Docket EL21-011

Pangea Design Group, LLC (PDG) wishes to intervene in Docket EL21-011 brought by Black Hills Power, Inc. (BHE) to Amend its Cogeneration and Small Power Production Service Tariff. PDG will be directly and adversely impacted by this change if allowed to proceed. PDG did not receive any official notice of this proposed change from BHE, and only became aware of this amendment request on 16 April 2021 through a 3<sup>rd</sup> party (not BHE). PDG therefore requests an intervenor status, even though the official period has closed.

PDG is a design/build firm in Spearfish. Owned by a Spearfish local, born and raised, and who has both full-time and seasonal employees. A large component of PDG's business serves clients who are interested in cogeneration projects, such as grid-tied solar. For the 2021 build season, 50% of PDG's contracts include a small-scale solar system as a key feature of the design and goals of the owners.

PDG wishes to ensure that the success of its business is not affected by this tariff change. The following statements from BHE are relevant to this concern:

- In section 9, it states that "The proposed tariff changes will apply throughout the Black Hills Power electric service area in South Dakota for all customers with QF Facilities of 1MW or less." This explicitly discriminates against small-scale cogeneration solar, wind, or other forms of power generation. PDG has installed a wide range of homeowner and small business solar systems, some small and some large. The average new residential solar system averages less than 5 kW. For reference, 1,000 kW is 1 MW, so applying this tariff change to just projects smaller than 1 MW is clearly discriminatory against future residential and small business projects.
- In section 6, it states "customers will continue to pay their assigned rate schedule charges for all consumed energy, whether "self-generated" or from the "grid"." This means that if a client uses \$100 of BHE's energy, and creates \$20 of their own power, then the client would have to pay \$120 to BHE, even though they paid for the solar system and generated the power themselves. This makes a small-scale system (< 1 MW) entirely fiscally unfeasible and would essentially eliminate residential and small business options.

If this tariff is passed as written, fifty percent of the projects that are already scheduled for PDG would be at risk, which is a significant and unexpected financial burden, which may result in layoffs, decreased projects for subcontractors, and decreased capital expenditures that benefit other local business owners. PDG requests that this request be rejected, because of the extreme limitations it places on small businesses supporting cogeneration development, construction, and installation.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Capp', written over a thin horizontal line.

Jared "Cappie" Capp  
Owner  
Pangea Design Group, LLC  
609 Nellie Lane  
Spearfish, SD 57783