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Patty VanGerpen, Executive Director
South Dakota Public Utilities Commission
VIA PUC ONLINE SUBMISSION

**RE: IN THE MATTER OF THE PETITION OF GEVO NET-ZERO 1, LLC TO HAVE KINGSBURY ELECTRIC COOPERATIVE, INC. ASSIGNED AS ITS ELECTRIC PROVIDER IN THE SERVICE AREA OF OTTER TAIL POWER COMPANY COMMENTS TO DOCKET EL24-024
MAGT File: 0044**

Dear Ms. Van Gerpen:

I write on behalf of my client, South Dakota Electric Utility Companies (SDEUC), the association of investor-owned utilities in South Dakota whose members are Black Hills Energy, MidAmerican Energy, NorthWestern Energy, Montana-Dakota Utilities, Otter Tail Power, and Xcel Energy. The lobbyists and others note, with great interest, the filing of Docket EL24-024. After reviewing the public materials as they have become available with the docket, it appears a number of issues arise within the context that could affect each or all of the companies. While it would be inappropriate under the laws and rules pertaining to intervention for SDEUC to intervene in the docket, it is wholly appropriate that we offer comments into the docket and, during the pendency of the proceedings, intend to do so. We would specifically note our interest in the following:

1. We note that three separate 115kV feeds are proposed for the installation. We are concerned about multiple points of connection for this facility and the precedent that might set.
2. It appears to us that a substantial portion of the proposed buildout is in anticipation of serving future loads in the area, and we are quite concerned that appropriate limitations be put in place to allow for service of future customers by the incumbent utility (in this case, Otter Tail Power) within their exclusive service territory.
3. It appears to us that a substantial portion of the buildout is duplicative of existing facilities already located in the area and serving Otter Tail and its customers.

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4. The rate impacts on retail rate payers, otherwise known as customers by the utilities, from the proposal offered by GEVO appear to be substantial. For example, Applicants state that they will only pay “ratably” for the buildout, presumably leaving the rest to be paid by other rate payers.
5. The GEVO petition suggests that being a “service provider” to GEVO should count towards eligibility for a future service area exception. It would be our contention that there is no basis in statute or precedent for such a determination, and the Commission should be very wary of adopting such a position because of its impact on existing service providers as well as rate payers.
6. The GEVO petition describes a very complex and novel arrangement between load, supply, and retail/wholesale jurisdictions. The petition and Otter Tail’s Petition to Intervene both describe lengthy negotiations for service. Further, Otter Tail noted implications for South Dakota’s exclusive service territory laws. It would be our contention that, to the extent that the complex and novel requirements for sustainable aviation fuel production plan for the location led to the failure to reach agreement, the incumbent utility should not lose its certificated service territory if the requirements disappear and, instead, become just an ordinary retail load. We would be interested in the Commission considering whether a service provider change is appropriate in the event that the business plans for the location change in the near future.
7. Similarly, what happens if the plant is never built? At what point should the location revert to the incumbent service provider as opposed to remain an unserved location by the cooperative?
8. We are concerned about the effects on the plan and the potential for reducing reliability to Otter Tail Power’s customers in the area. The Commission should consider whether Kingsbury or East River have requirements to maintain the existing reliability and their connections in the area.
9. It is clear that this proceeding is the only opportunity for the Public Utilities Commission to address impacts to other customers. The interconnection of the wind farm will occur through SPP under FERC’s jurisdiction. Buildout cost allocations through SPP are subject to the filed rate doctrine, and the PUC does not have jurisdiction over Kingsbury’s rates or operations. Those are considerations which the Commission should take into account.

We look forward to watching the docket and offering comments going forward and hope that the Commission takes notice of the concerns which we have outlined in this letter.

Very truly yours,


BRETT KOENECKE
BK | jrw