

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

**In the matter of the Petition of Dakota )  
Renewable Hydrogen, LLC to have )  
Kingsbury Electric Cooperative, Inc. )  
Assigned as its Electric Provider in the Service )  
Area of Otter Tail Power Company**

**Consolidated  
Docket Nos. EL24-024  
and EL24-025**

**REBUTTAL TESTIMONY  
OF CLAY NORRBOM  
ON BEHALF OF DAKOTA RENEWABLE HYDROGEN  
November 20, 2024**

1 **Q: What is the purpose of your testimony?**

2 A: The purpose is to emphasize and clarify some of the Otter Tail Power Company direct  
3 testimony.

4 **Q: What would you like to clarify?**

5 A: Otter Tail's Mr. Waltz, beginning at the bottom of page four and the top of page five,  
6 indicates he does not know exactly what Dakota Renewable Hydrogen is requesting from the  
7 Commission. I can clarify.

8 **Q: Please do.**

9 A: DRH is asking that the Commission allow Kingsbury Electric Cooperative to be able to  
10 serve its retail electric needs. We recognize that once the request is granted, it will be permanent  
11 and DRH will be unable to obtain retail electric service at this location from any other electric  
12 service provider. DRH is not asking that the Commission give KEC the right to serve any party  
13 other than DRH. To the extent that other customers develop near to or adjacent to the NZ1 project  
14 and wish to receive electric service from either Otter Tail or KEC, that decision will be up to that

1 new customer at that time. DRH takes no position on that issue. That said, we do expect that if  
2 the Commission grants our petition, and our electric load grows in the future, we do not expect to  
3 have to seek permission from the Commission for KEC to be able to serve that increased DRH  
4 load.

5 **Q: Are there other issues you would like to clarify?**

6 A: Yes. My main job is as president of Zero6 Energy, Inc., a renewable development and asset  
7 management firm. Our company owns and operates renewable energy projects throughout the  
8 country, primarily through wholly-owned subsidiary companies. Our subsidiary company DRH  
9 will own and operate the proposed hydrogen production facility that will be located adjacent to the  
10 NZI project on land owned by NZI. Another one of our companies, Kingsbury County Wind Fuel,  
11 LLC, intends to construct, own, and operate the 99 MW wind facility that will be directly  
12 interconnected to the NZ1 project through a transmission line owned and operated by East River  
13 Electric Cooperative. KWCF is not a party to this proceeding and believe that is appropriate since  
14 there is nothing unusual about the wind farm, despite Mr. Waltz's comments seemingly to the  
15 contrary.

16 **Q: Please expand.**

17 A: At page six of his testimony, Mr. Waltz testifies that Otter Tail worked "tirelessly" to  
18 develop a structure that would work for the NZ1 project, and states NZ1 and KEC are now using  
19 a "structure that Otter Tail Power developed." As DRH and NZ1 have made clear, we appreciated  
20 Otter Tail's efforts in trying to come to commercial terms that would allow the project to use Otter  
21 Tail as its electric service provider. But the project never asked, and did not expect Otter Tail to  
22 earn "bigger profits by taking on bigger risks," as he states on page two, line 11 of his testimony,  
23 in terms of new structures or otherwise. We fully understand how utilities such as Otter Tail are

1 regulated and their business model. But there is nothing unusual about the structure that either the  
2 wind farm or the project has entered, nor did the wind farm ask Otter Tail to do anything unusual.

3 The wind farm, through KCWF, has a *wholesale* power purchase agreement with  
4 generation and transmission cooperative Basin Electric Power Cooperative, and the wind farm will  
5 transfer ownership of that power at a substation owned and operated by East River. This structure  
6 is very similar to other power purchase agreements that we have negotiated with utilities in the  
7 past and with most other power purchase agreements Basin has with other wind farms on its system  
8 and other power purchase agreements of which I am familiar, as is our counsel. We even used  
9 Basin's standard form purchase agreement as the basis of the purchase.

10 **Q: What about Mr. Waltz's comments regarding interconnection of the wind farm and**  
11 **the wind farm's "refusal" to seek interconnection to MISO?**

12 A: Again, there is nothing new or novel with respect to interconnecting the proposed wind  
13 farm to the transmission grid. When we first began discussing the project with Otter Tail, because  
14 of the long time it takes to get through the MISO interconnection process, we explored connecting  
15 the wind farm on a temporary basis to the Otter Tail regional, non-MISO grid and to develop a  
16 protocol that would prevent "inadvertent backflow" of wind power onto the Otter Tail grid – i.e.,  
17 prevent the flow of wind power to the grid that is not consumed at the NZ1 site. Because Otter  
18 Tail is within the MISO system, the project had every intent to apply to MISO to seek a permanent  
19 interconnection of the wind farm to the MISO grid so that wind power could flow to the MISO  
20 grid at times when the NZ1 project was not consuming the power. But when it became clear that  
21 the terms Otter Tail was requiring of the wind farm would make the overall Project uneconomic  
22 and/or be unable to secure financing, NZ1 and DRH took up discussions again with East River and  
23 KEC.

1           Now that the project is being interconnected to the East River system, which system is part  
2 of the Southwest Power Pool and not MISO, the project filed a standard interconnection request  
3 with SPP in the fall of 2023. That process is ongoing, and it is slow. But to suggest, as Mr. Waltz  
4 does, that the project “refused” Otter Tail’s advice or that the project is somehow using a “structure  
5 that Otter Tail Power developed” is simply untrue and misleading.

6 **Q:     Do you have any additional testimony?**

7 A:     I would just thank SDPUC Staff witness Darren Kearney for his thorough testimony, and  
8 comment that we largely agree with it. He identified that Otter Tail does not contest the applicants’  
9 request for service by KEC and that each of the applicants have satisfied the statutory requirements  
10 of the service exemption statute.

11 **Q:     Does this conclude your rebuttal testimony?**

12 A:     Yes.