

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

**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**

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

**REBUTTAL TESTIMONY
OF CHRISTOPHER RYAN
ON BEHALF OF GEVO NET-ZERO 1, LLC
November 20, 2024**

1 **Q: Please state your name and business address for the record.**

2 A: Christopher Ryan. My business address is 345 Inverness Dr. S, Building C, Suite 310,
3 Englewood CO 80112.

4 **Q: Have you previously submitted testimony in this proceeding?**

5 A: Yes. I submitted direct testimony dated October 11, 2024.

6 **Q: To whose testimony are you responding in rebuttal?**

7 A: I am responding to the testimony of Christopher Waltz.

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

9 A: The purpose is to emphasize and clarify some of the Otter Tail Power Company direc
10 testimony.

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

12 A: Otter Tail’s Mr. Waltz, on line 15 of page three, refers to “two start-up LLCs.” As the
13 Commission may know, Gevo, Inc. is a publicly traded corporation, and it is common practice, in
14 the development of projects similar to Net-Zero 1, that a special purpose company, in this case,

1 Gevo Net-Zero 1, LLC, be established to undertake the development and financing of the assets.
2 This is especially the case with a limited recourse project financing structure.

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

4 A: Yes. Mr. Waltz, on line 18 of page three, refers to a “first of its kind regulatory compliance”
5 as a reason Otter Tail found it “prudent to assess and protect against the Project’s failure.” It is
6 unclear what Mr. Waltz means with respect to “first of its kind regulatory compliance.” There is
7 nothing first in kind with respect to the production of ethanol, corn oil, distillers grains, or
8 renewable hydrocarbons. While we appreciate the effort Otter Tail put forward in trying to provide
9 terms under which it could provide electric service to the project, part of the reason Gevo Net-Zero
10 1 was unable to come to terms with Otter Tail is because Otter Tail always seemed to want to make
11 things more complicated than they needed to be.

12 **Q: Otter Tail’s Mr. Waltz states on line 28 of page three that “Otter Tail does not oppose**
13 **the exemption, and service to NZ1 and DRH,” but then notes his view that the Commission**
14 **“should ensure any ruling is limited to the specific project” and load type. Does Gevo Net-**
15 **Zero 1 object to those conditions?**

16 A: No. However, Gevo Net-Zero 1 believes that “new customer” and “new location” as used
17 in §49-34A-56 is better understood to include all the activities of Gevo Net-Zero 1 on the full 245-
18 acre site that are ancillary or complementary to the proposed ethanol to jet fuel project. Nothing in
19 §49-34A-56(1) indicates that the “load to be served” must be static as of a point in time. “Ancillary
20 or complementary to” might include, for instance, Gevo Net-Zero 1’s installation of additional
21 dryers, corn storage, distillation capacity, loading facilities, etc., on the full 245 acre property in
22 respect of the proposed ethanol to jet fuel project. If Gevo Net-Zero 1 decides in 6 months to
23 install carbon capture, liquefaction and/or compression equipment on the full 245 acre site, this

1 clearly falls under the “new location” and “load to be served”. As we have previously noted, the
2 specific project in this instance is a processing facility that includes three principal components –
3 corn receiving and processing, ethanol production, and sustainable aviation fuel production
4 (including all activities in respect thereof). Any administratively imposed limitation on Gevo Net-
5 Zero 1’s planned or future use of its property for the NZ1 project would seem inconsistent with
6 the “new customer” and “new location” provisions in the statute. In this case, the “load to be
7 served” as used in §49-34A-56(1) is Gevo Net-Zero 1’s ethanol-to-jet fuel processing facility.
8 There is not a basis to sub-divide Gevo Net-Zero 1’s property into multiple “locations” or new
9 load types as implied by Mr. Waltz’s statement on line 26 of page four where he refers to new
10 infrastructure on the same 245 acres as a “new location”. “New location” can be understood to be
11 the full 245 acres. Further, any interpretation that restricts a “new location” in the manner Otter
12 Tail seems to suggest is likely to result in duplication and wasteful spending if Otter Tail is required
13 to develop and install new facilities to serve an ancillary or complementary load on the
14 undeveloped portion of the Gevo Net-Zero 1 property. Gevo Net-Zero 1 agrees that future load
15 unrelated to the ethanol-to-jet fuel processing facility project (e.g., data center, truck stop, dairy
16 farm, etc.) would appropriately be excluded from the service exemption sought in this docket.

17 **Q: Any further clarifications?**

18 A: Yes. On lines 15 and 16 of page five, Mr. Waltz seems to imply that if Gevo Net-Zero 1
19 develops a new load under 2,000 kW on the developed parcel, the new load will be required to
20 take power from Otter Tail. This suggests that Otter Tail has the right to serve new load developed
21 by Gevo Net-Zero 1 within the project footprint. Again, this seems inconsistent with how “new
22 location” should be interpreted under the statute. We agree that a third party with a load under
23 2,000 kW does not have a statutory right to seek an exemption.

1 Q: **Does this conclude your testimony?**

2 A: Yes.