

Before the South Dakota Public Utilities Commission
State of South Dakota

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

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

Docket No. EL24-024
Docket No. EL24-025

Exhibit_____

Direct Testimony and Schedules of

DYLAN STUPCA

November 1, 2024

TABLE OF CONTENTS

I.	INTRODUCTION AND QUALIFICATIONS.....	1
II.	CONCLUSION	4

ATTACHED SCHEDULES

Schedule 1 – Witness Resume/Bio

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 Q. PLEASE STATE YOUR NAME, EMPLOYER, AND BUSINESS ADDRESS.

3 A. My name is Dylan Stupca. I work for Otter Tail Power Company (Otter Tail
4 Power). My business address is 215 South Cascade Street, Fergus Falls,
5 Minnesota, 56537.

6
7 Q. WHAT IS YOUR POSITION WITH OTTER TAIL POWER?

8 A. Manager, Delivery Planning.
9

10 Q. BRIEFLY DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
11 BACKGROUND.

12 A. I graduated from the University of Minnesota, Duluth with a Bachelor of Science
13 degree in Electrical and Computer Engineering. I have worked for Otter Tail Power
14 the past eleven (11) years holding numerous positions within Otter Tail Power's
15 Delivery Planning department focusing on transmission and distribution system
16 planning.
17

18 Q. ON WHOSE BEHALF ARE YOU PROVIDING TESTIMONY?

19 A. Otter Tail Power Company.
20

21 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

22 A. The purpose of my testimony is to address certain aspects of the requests for a
23 service territory exemption filed by Gevo NetZero-1, LLC (NZ1) and Dakota
24 Renewable Hydrogen, LLC (DRH). Together, the two customers' construction
25 plans are known as the "NZ1 Project." Specifically, I address Otter Tail Power's
26 interest in ensuring that the emergency tie connection (the Connection) between
27 Otter Tail Power and East River Cooperative (East River) is appropriately
28 maintained.
29

30 Q. WHAT IS THE CONNECTION BETWEEN OTTER TAIL POWER AND KEC?

31 A. The Connection is an existing, normally open connection between Otter Tail
32 Power's 41.6 kilovolt transmission system and East River's 69 kilovolt
33 transmission system that merges the two systems.

1 Q. WHY IS THE CONNECTION IMPORTANT?

2 A. The Connection is important because it provides an alternative source to Otter Tail
3 Power's 41.6 kilovolt system if the main source is disrupted, allowing Otter Tail
4 Power to continue to provide reliable service to customers.

5
6 Q. WHO MAINTAINS THE CONNECTION?

7 A. The Connection is governed by an agreement on file at FERC between East River
8 and Otter Tail Power whereby each Party maintains its own interconnection
9 facilities.¹ While the Agreement contains a provision obligating the initiator of a
10 modification who causes the other party to incur costs to its interconnection
11 facilities to pay for them, in my experience, matching cost responsibility to cost
12 causation is a core principle that I see in many such agreements. It's the basic
13 fairness of a "but for" approach to determining who should pay for what.

14
15 Q. WHY IS OTTER TAIL CONCERNED ABOUT THE CONNECTION WITH
16 RESPECT TO THE NZ1 AND DRH PETITIONS?

17 A. Mark Hoffman responded on behalf of East River to discovery request concerning
18 potential costs to Otter Tail Power customers. In that response, Mr. Hoffman
19 stated that Otter Tail Power "has an emergency tie with East River that will need
20 to be modified at [Otter Tail Power's] cost if it wants to maintain the connection."
21 This statement raises concerns with East River's motivation to maintain a reliable
22 system in the area. This statement also directly conflicts with the plain language
23 of the contract between Otter Tail Power and East River, and Otter Tail Power is
24 concerned East River will not abide by its agreement to maintain the Connection
25 to the detriment of Otter Tail Power and its customers.

26
27 Q. WHY DOES THAT MATTER TO THE COMMISSION?

28 A. Maintaining the connection is important for the reliability of South Dakota's
29 electrical system and is essential for good utility practice. It is also a clear example
30 of impacts to others of East River and KEC's investment to support the NZ1
31 Project. East River identified that its planned construction will cause the loss of
32 an emergency interconnection arising from the Commission granting this service
33 area exemption. A known degradation of reliability should not be a direct outcome

¹ See, Federal Energy Regulatory Commission, Filing of Transmission Interconnection Agreement
December 29, 2017, Docket No. 18-566-000.

1 of granting exemptions. Similarly, an electric public utility should not incur a
2 significant out-of-pocket cost just to maintain the status quo reliability on its
3 system.
4

5 Q. WHAT ARE THE CONSEQUENCES FOR FAILING TO MAINTAIN THE
6 CONNECTION?

7 A. Failing to maintain the Connection means South Dakota's overall electric system
8 will be less reliable. The removal of the Connection would eliminate a tie that can
9 support Otter Tail Power's 41.6 kilovolt system for the loss of the system's normal
10 source, degrading reliability of the system.
11

12 Q. WHAT ARE THE ANTICIPATED COSTS TO MAINTAIN THE CONNECTION IN
13 LIGHT OF THE NZ1 PROJECT?

14 A. At this time, we do not know what the costs would be to maintain the Connection
15 as that information has not been provided. Our initial estimate was between \$1.5
16 million and \$2 million which represents the price of upgrading the existing
17 transformer to one that will accommodate a 115 kV connection. This does not
18 include additional costs that may be identified when East River shares its final
19 designs.
20

21 Q. DOES OTTER TAIL POWER HAVE ANY ADDITIONAL CONCERNS?

22 A. Yes. When the petitions were first filed, Otter Tail Power was also concerned about
23 potential cost impacts on Otter Tail Power customers and unnecessary duplication
24 of services. We have not obtained sufficient information in discovery to allay those
25 concerns. East River appears to contend that since Otter Tail Power also required
26 some investment in new facilities to serve the NZ1 Project that Otter Tail Power's
27 concerns are misplaced.
28

29 Q. DO YOU AGREE?

30 A. No. Consistent with good utility practice and our obligations to our customers,
31 when we developed the transmission buildout to serve the NZ1 Project, we
32 identified opportunities to strengthen the system serving our exclusive territory
33 while providing new service to the NZ1 Project. We then allocated costs based on
34 benefits to our existing customers and benefits to the NZ1 Project. Said differently,
35 we ensured that our existing customers were allocated only those costs that went

1 to improving their service but then required the NZ1 Project's revenue to justify or
2 pay for the entirety of the remainder of the cost.

3
4 Q. IS THIS CONSISTENT WITH EAST RIVER'S APPROACH?

5 A. It is unclear to me if it is, but it does not appear to be the case. In discovery, East
6 River noted that they are building additional capacity into their buildout and that
7 they are charging the NZ1 Project their "proportional share." This leads me to
8 believe that all other customers in SPP will be shouldering the burden of additional
9 capacity that appears to have no obvious purpose. Further, it is unclear to me if
10 there are any KEC customer benefits of this buildout since it appears intended to
11 serve load outside of KEC's existing service territory.

12
13 Q. WHY IS THIS IMPORTANT FOR THE COMMISSION TO CONSIDER?

14 A. As Mr. Waltz noted, NZ1 Project's request appears to be seeking authority to
15 develop the entire 245-acre site over time. East River's transmission build-out
16 appears to be designed to support this additional purpose on a speculative basis.
17 And, this additional speculative transmission capacity appears to not be justified
18 by benefits to the customers in SPP who will pay the costs. As the Commission
19 reviews NZ1 and DRH's exemption request, it should take into account these
20 impacts and the speculative nature of investments being shouldered by customers.
21 Additionally, it is unclear what provisions are in place to address any stranded
22 assets should the NZ1 project never get built or otherwise fail in the future.

23 **II. CONCLUSION**

24 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

25 A. Yes.

DYLAN STUPCA

BUSINESS ADDRESS

215 South Cascade Street
Fergus Falls, MN 56537
(218)739-8980 (Work)
dstupca@otpc.com

I am the Manager of Delivery Planning for Otter Tail Power Company. I have been with Otter Tail Power for eleven (11) years. As the Manger of Delivery Planning, I am responsible for managing an employee group involved in transmission and distribution planning, transmission and distribution contracts, and support regulatory related activities for Otter Tail Power. Prior to being promoted to Manager of Delivery Planning in 2023, I held the Supervisor, Transmission and Distribution Studies position from 2023 to 2020. In this position, I supervised an employee group involved in the traditional transmission and distribution planning processes. Within this role, I oversaw the building of system models and the performing of transmission and distribution studies, coordinated with neighboring utilities, drafted transmission and distribution contracts, ensured compliance with North American Electric Reliability Corporation (NERC) reliability standards related to transmission planning; and performed various other activities. From 2020 to 2018, I held the Strategic Planning Engineer position. Within this role, I actively participated in regional transmission planning activities sponsored by the Midcontinent Independent System Operator (MISO) including the MISO Transmission Expansion Plan, Market Congestion Planning Study, and Generation Interconnection Studies. I participated in several MISO stakeholder committees including the Planning Advisory Committee, Planning Subcommittee, Interconnection Process Working Group, and the Regional Expansion Criteria and Benefits Working Group. From 2013 to 2018, I held the Transmission and Distribution Studies Engineer position. Within this role, I focused on the traditional transmission planning activities of an electric utility that included performing power flow analysis, transient and voltage stability analysis, and economic analysis. Over the eleven (11) years with Otter Tail Power, and the various roles I have held, I have accumulated a vast amount of knowledge related to transmission and distribution planning.