

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

IN THE MATTER OF THE REQUEST FOR A)
DECLARATORY RULING REGARDING)
CROWNED RIDGE ENERGY STORAGE I,)
LLC)

**ORDER DENYING PETITION FOR A
DECLARATORY RULING; NOTICE
OF ENTRY**

EL25-027

On August 1, 2025, the South Dakota Public Utilities Commission (Commission received a Petition for a Declaratory Ruling (Petition) from Crowned Ridge Energy Storage I, LLC (CRES or Petitioner) requesting the Commission issue a declaratory ruling that the Commission does not have the statutory authority to require a facility permit for the construction and operation of an energy storage facility. CRES plans to construct a 120 MW energy storage facility in Codington County, South Dakota, with an anticipated commercial operations date of December 2027. CRES specifies the facility will store energy generated by Crowned Ridge Wind and other energy from the grid and inject that stored energy into the Big Stone Substation via a Generator Interconnection Agreement (GIA) with Midcontinent Independent System Operator (MISO). On September 18, 2025, Staff filed written comments in the docket.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 1-26, 49-1 and 49-41B, specifically SDCL 49-1-11(5), 49-41B-2 and 49-41B-4, and ARSD 20:10:01:34 and 20:10:01:35. The facts presented by CRES in the Petition upon which the Commission bases its decision are as follows¹:

1. The energy storage facility will have a capacity of 120 MW.
2. The facility will store energy generated by Crowned Ridge Wind, LLC (CRW), as well as non-CRW energy from the electric grid.
3. CRES will store energy using lithium-ion, or similar technology, battery cells.
4. Electric energy is transferred from the existing power grid to the batteries during a battery charging cycle and from the batteries to the grid during a battery discharge cycle using a power conversion system.

The declaration requested by Petitioner: The Commission does not have the statutory authority to require a facility permit for the construction and operation of an energy storage facility.

At its regularly scheduled meeting on September 23, 2025, the Commission considered the Petition. Both Petitioner and Staff agreed that an ambiguity exists as to whether the language in SDCL 49-34A-2(6) referring to a facility “capable of generation” applies only to primary sources of electric generation that use raw materials in the energy conversion process or also applies to secondary sources of generation that convert electric energy to chemical energy to later convert that chemical energy back into electric energy.

Having reviewed the filed documents, having listened to the oral arguments and having made further inquiry of the Petitioner at the meeting, the Commission, with Commissioner Nelson dissenting, voted to deny the Petition for a Declaratory Ruling.

¹ Because this is a declaratory ruling pursuant to SDCL 1-26-15, rather than a contested case proceeding, the Commission relies upon the facts as presented and makes no independent findings of its own.

Under the facts presented and the language of the statute, the Commission found an ambiguity exists as to whether the proposed facility is designed for or capable of generation of one hundred megawatts or more of electricity. Because the Petitioner requested a declaratory ruling finding the Commission has no jurisdiction to require a permit for the construction and operation of CRES under SDCL 49-41B, the evidence presented must clearly establish that the facility does not fall within the Commission's jurisdiction. After review of the facts presented, the Commission found that Petitioner failed to show that the facility is not "capable of generation" during the discharge cycle of the battery in which CRES will convert stored chemical energy back into electric energy. Therefore, the Petitioner did not clearly establish CRES is not an energy conversion facility under SDCL 49-41B-2(6) and the Commission declined to issue a declaratory ruling finding the Commission does not have statutory authority to require a facility permit for the construction and operation of CRES.

It is therefore

ORDERED, that the Petition requesting the Commission issue a declaratory ruling that the Commission does not have the statutory authority to require a facility permit for the construction and operation of an energy storage facility is hereby denied.

Dated at Pierre, South Dakota, this 1st day of October 2025.

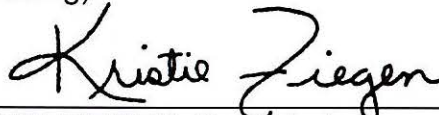
CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.	
By:	
Date:	<u>10 October 2025</u>

BY ORDER OF THE COMMISSION:



GARY HANSON, Chairman

CHRIS NELSON, Commissioner
(dissenting)



KRISTIE FIEGEN, Commissioner

NOTICE OF ENTRY

PLEASE TAKE NOTICE that this Declaratory Ruling was duly issued and entered on the 1st day of October 2025.