

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

**IN THE MATTER OF THE APPLICATION OF
CROWNED RIDGE ENERGY STORAGE, LLC FOR A FACILITIES PERMIT TO
CONSTRUCT A 120-MEGAWATT BATTERY ENERGY STORAGE SYSTEM
FACILITY**

Docket No. EL26-

**DIRECT TESTIMONY AND EXHIBIT
OF DAULTON PEARSON**

May 14, 2026

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Daulton Pearson. My business address is 700 Universe Blvd., Juno Beach,
4 FL 33408.

5
6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by NextEra Energy Resources, LLC (“NextEra Energy Resources”) as a
8 Lead Project Manager, Development.

9
10 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.**

11 A. I currently lead the development of renewable energy projects with a primary focus on
12 Battery Energy Storage Systems in South Dakota. My work spans the full development
13 lifecycle, navigating complex regulatory, permitting, and commercial challenges in one of
14 the nation’s most active energy markets.

15 Before transitioning to the energy sector, I served as a Supervisor for Total Package
16 Landscaping, overseeing employees, consulting with clients on project planning,
17 maintenance scheduling, training new staff, and adapting to project challenges to ensure
18 timely completion. I hold a Bachelor of Business Administration in Finance from Florida
19 Atlantic University. A copy of my curriculum vitae is attached as Exhibit A to my
20 testimony.

21
22 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

23 A. I am testifying on behalf of the applicant in this proceeding, Crowned Ridge Energy
24 Storage I, LLC (“Crowned Ridge Energy Storage” or “CRES”).

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Q. WHAT IS THE ORGANIZATIONAL RELATIONSHIP BETWEEN CROWNED RIDGE ENERGY STORAGE AND NEXTERA ENERGY RESOURCES?

A. Crowned Ridge Energy Storage is a wholly owned indirect subsidiary of NextEra Energy Resources.

Q. PLEASE BRIEFLY DESCRIBE NEXTERA ENERGY RESOURCES.

A. NextEra Energy Resources, through its subsidiaries and affiliates, develops energy generation projects throughout the United States and Canada. NextEra Energy Resources is one of the largest energy infrastructure companies in the world, with more than 3,000 megawatts (“MW”) of operational energy storage capacity across North America. NextEra Energy Resources’ subsidiaries operate more than 33,000 MW of generation capacity. In South Dakota, NextEra Energy Resources’ subsidiaries own and/or operate four wind facilities, with additional wind energy and energy storage projects currently in development.

Q. WHAT IS YOUR ROLE WITH RESPECT TO THE CROWNED RIDGE ENERGY STORAGE PROJECT (OR “THE PROJECT”)?

A. As a Project Manager of Development, I oversee the Project’s siting and permitting processes, until commercial operations begin.

Q. PLEASE BRIEFLY DESCRIBE THE PROJECT.

A. The Project is a 120-MW battery energy storage system (or “BESS”), with a 4-hour duration, proposed to be located in Codington County, South Dakota within the existing

1 Crowned Ridge I Wind Energy Facility project area.¹ The Project includes associated
2 inverters, transformers, underground medium voltage collection cables, and other ancillary
3 facilities, such as fencing, roads, and a supervisory control and data acquisition
4 (“SCADA”) system. The Project will connect to the existing Crowned Ridge I Wind
5 Energy Facility’s collector substation (“CRW Collector Substation”) via an approximately
6 2,215-foot-long collection line.

7
8 **Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR**
9 **DIRECT SUPERVISION?**

10 A. Yes.

11
12 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
13 **COMMISSION OF SOUTH DAKOTA?**

14 A. No.

15
16 **II. PURPOSE OF TESTIMONY**

17 **Q. PLEASE DESCRIBE THE PURPOSE OF THE TESTIMONY.**

18 A. My testimony provides an overview of the Project, including its development history,
19 interconnection, site selection, land acquisition, local permitting, landowner coordination,
20 design and construction, operations and maintenance, decommissioning, and benefits.

21

¹ The Crowned Ridge I Wind Energy Facility is owned and operated by Crowned Ridge Energy Storage’s affiliate, Crowned Ridge Wind, LLC (“Crowned Ridge Wind” or “CRW”).

1 **Q. WHAT PORTIONS OF THE APPLICATION DO YOU SPONSOR?**

2 A. I sponsor or co-sponsor the following sections of the Application being filed in this
3 proceeding: Sections 2, 3, 4, 5, 6, 7 (portions), 8, 15, 18 (portions), 19, 22, 28, 29
4 (portions), and 30 (portions).

5

6 **III. OVERVIEW OF THE PROJECT**

7 **Q. PLEASE DESCRIBE THE PROPOSED PROJECT IN MORE DETAIL.**

8 A. As I described above, the Project is a 120 MW BESS facility with a 4-hour duration,
9 equating to 480 MWh of total energy capacity. This means that if the facility was
10 discharging energy at 100% of its output rate, it would take four hours for the BESS to
11 discharge its entire 480 MWh capacity.

12 The Project will be located in a Project Area that encompasses 52.7 acres of
13 property for which Crowned Ridge Energy Storage has executed a purchase option
14 agreement. The Project Area is located at the southeast intersection of 464th Avenue and
15 161st Street. The total Project footprint after construction and reclamation will consist of
16 approximately 7.8 acres within this Project Area. Crowned Ridge Energy Storage expects
17 to start construction of the Project in May 2027 with commercial operation anticipated in
18 May 2028. The Project's anticipated lifespan is 35 years.

19 The Project will connect to the CRW Collector Substation and operate along the
20 existing transmission line, interconnecting at the Big Stone South 230 kilovolt ("kV")
21 Substation on the Otter Tail Power Company transmission system.

22

1 **Q. WHAT FACILITIES ARE INCLUDED AS A PART OF THE PROJECT?**

2 A. The Project will consist of individual lithium-ion batteries housed in energy storage system
3 containers. Each battery module is equipped with a battery management system that
4 continuously monitors and regulates critical parameters, such as voltage, temperature, and
5 state of charge, to maintain operational integrity and safety.

6 The Project also will include the construction of a Power Conversion System to
7 convert the direct current stored within the BESS to alternating current suitable for grid
8 integration. The Power Conversion System will ensure the efficient and reliable transfer
9 of energy between the BESS and the grid. Additionally, an electrical collection system
10 will be constructed to connect the BESS to the CRW Collector Substation via underground
11 cabling. The Project also includes other ancillary facilities, such as a SCADA system, site
12 access and parking, fencing and security, signage, and stormwater facilities.

13 Temporary facilities may be required for the construction phase of the Project, such
14 as a construction laydown area for any equipment and/or intersection improvements to
15 facilitate over-length turning. Any temporarily affected areas will be restored to pre-
16 construction conditions, to the extent practicable after construction has been completed.

17 After construction, the BESS infrastructure will occupy 7.8 acres, in addition to the
18 CRW Collector Substation, which occupies 1.4 acres.

19

20 **Q. WHAT ENTITY WILL CONSTRUCT, OWN, AND OPERATE THE PROJECT?**

21 A. Crowned Ridge Energy Storage will be responsible for constructing, owning, operating,
22 and maintaining the Project, as well as fulfilling the conditions set forth by the Commission
23 if the Commission grants the requested permit. Crowned Ridge Energy Storage will secure

1 a third-party engineering, procurement, and construction (“EPC”) contractor to manage
2 and complete construction of the Project. Following construction, Crowned Ridge Energy
3 Storage will own, operate, and maintain the Project.

4
5 **Q. PLEASE DESCRIBE THE NEED FOR THE PROJECT.**

6 A. The Project is being developed adjacent to the existing Crowned Ridge I Wind Energy
7 Facility to help meet growing demand for reliable capacity and to alleviate congestion on
8 the grid, while utilizing already existing infrastructure. Crowned Ridge Energy Storage
9 has executed an energy storage agreement (“ESA”) with an off-taker, Northern States
10 Power, for a duration of 15 years.

11 Ancillary services from a utility-scale BESS are services that support the reliability
12 of the power grid, such as frequency regulation, voltage control, and spinning reserves.
13 These services are vital for balancing the grid’s supply and demand, ensuring stability, and
14 helping to restore power after an outage. BESS are well-suited for providing these services
15 due to their fast response times.

16
17 **Q. HOW WILL THE PROJECT PROVIDE ENERGY TO THE GRID?**

18 A. The Project will be capable of storing excess power from the grid when production exceeds
19 system demand (oversupply). If the grid has excess energy (*e.g.*, during periods of low
20 demand), this energy will be absorbed by the Project for later release. The Project will
21 provide additional reliability for and deliverability to the grid by having the ability to store
22 low-cost, excess generation (relative to load) and inject it into the grid at times of increased
23 demand.

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Q. PLEASE DESCRIBE THE PROJECT’S INTERCONNECTION ARRANGEMENTS.

A. The Project will connect to and share the CRW Collector Substation, transmission, and point of interconnection, which has been studied by the Midcontinent Independent System Operator (“MISO”). Crowned Ridge Energy Storage will execute a Surplus Interconnection Service Generator Interconnection Agreement with the interconnecting transmission utility, Otter Tail Power Company, and MISO, which it anticipates executing in June 2026. The Surplus Interconnection Agreement will allow the BESS to connect to the grid through the shared use of the existing collection substation and transmission line, without exceeding the original interconnection limit of Crowned Ridge Wind’s Generator Interconnection Agreement. Simply put, the combined energy output will not exceed the original wind interconnection limits.

Q. WHAT FACTORS MAKE THE PROJECT AREA A GOOD SITE FOR STORAGE?

A. Crowned Ridge Energy Storage selected the Project Area based on its proximity to the Crowned Ridge I Wind Energy Facility infrastructure, specifically the CRW Collector Substation where interconnection capacity is available, as well as on landowner support and land use and environmental resource compatibility with a BESS. By siting the Project adjacent to the existing wind facility, Crowned Ridge Energy Storage aims to minimize impacts on the surrounding community, enhance operational efficiency, and condense development into a compact area.

1

2 **IV. DEVELOPMENT ACTIVITIES**

3 **Q. PROVIDE AN OVERVIEW OF THE PROJECT'S DEVELOPMENT**
4 **ACTIVITIES.**

5 A. Development activities for the Crowned Ridge Energy Storage Project commenced in
6 2023. Over the past two years, Crowned Ridge Energy Storage has been actively engaging
7 stakeholders by working closely with local governments, emergency management
8 personnel, business community representatives, and state and county permitting bodies to
9 advance the Project's design and development. Stakeholders have been approached directly
10 to address concerns related to the proposed siting, safety protocols, and infrastructure
11 placement associated with the Project.

12 Crowned Ridge Energy Storage conducted multiple meetings with Codington
13 County officials and attended County commission hearings during the Conditional Use
14 Permit ("CUP") process in 2024. Crowned Ridge Energy Storage held additional
15 discussions with the County in 2025, with formal planning discussions held on August 7,
16 August 21, and October 27, 2025, in addition to numerous additional phone calls and in-
17 person coordination with the Senior Planner at the First District and his team. These
18 engagements focused on the process for extension of the CUP to account for state
19 permitting timeline, construction timeline, and building permit requirements. In November
20 2025, Crowned Ridge Energy Storage coordinated with Codington County officials to
21 assist in coordinating the Local Review Committee in support of the required social and
22 economic impact study associated with the South Dakota Public Utilities Commission

1 permitting process. Crowned Ridge Energy Storage continues to work alongside First
2 District officials in planning related to completing the previously stated impact study.

3 Crowned Ridge Energy Storage has coordinated with fire, emergency management,
4 and public safety stakeholders to discuss emergency preparedness and training in more
5 detail. On February 20, 2026, the project team shared Battery Energy Storage System
6 safety, fire risk, and emergency response materials with local emergency response
7 leadership, initiating a dialogue around future coordination. This was followed by an in-
8 person meeting on February 25, 2026, with the Codington County Emergency Director,
9 public affairs representatives, and fire department personnel to facilitate direct discussion
10 regarding emergency preparedness. Additionally, on February 25, 2026, Crowned Ridge
11 Energy Storage met with the Watertown Chamber of Commerce and its president to discuss
12 the Project's role in the local business community and regional economic development. On
13 February 27, 2026, the team coordinated by email with local fire departments on firefighter
14 training, operational readiness, and interim and long-term training options specific to BESS
15 response and continues to plan more advanced training to assist emergency response
16 operations.

17
18 **Q. WHAT IS THE STATUS OF LAND ACQUISITION FOR THE PROJECT?**

19 A. Crowned Ridge Energy Storage has signed a voluntary lease with purchase option
20 agreement for the 52.7-acre Project Area. Once necessary regulatory approvals and
21 permits are obtained, Crowned Ridge Energy Storage will exercise the purchase option and
22 acquire the land in fee.

23

1 **Q. WHO WILL BE RESPONSIBLE FOR OBTAINING ALL APPLICABLE**
2 **FEDERAL, STATE, AND LOCAL PERMITS FOR THE PROJECT?**

3 A. Crowned Ridge Energy Storage will be responsible for obtaining all applicable federal,
4 state, and local permits for the Project.

5
6 **Q. PLEASE PROVIDE THE STATUS OF THE LOCAL CONDITIONAL USE**
7 **PERMITS.**

8 A. Crowned Ridge Energy Storage obtained a CUP for the project from Codington County on
9 May 20, 2024. Crowned Ridge Energy Storage plans to submit an application to Codington
10 County before June 2026 to extend the term of the CUP.

11
12 **Q. WHAT ARE THE LOCAL SETBACKS REQUIRED BY THE COUNTY, AND**
13 **DOES THE PROJECT COMPLY WITH THE SETBACKS?**

14 A. The County requires that the project be subject to 100' setbacks from county roads. The
15 Project will comply with this requirement.

16
17 **Q. WHAT ARE THE PROJECT'S ESTIMATED COSTS?**

18 A. The current estimated cost of construction for the Project is \$174 million. This includes:
19 (1) construction of the BESS; and (2) costs associated with the construction of the Project's
20 approximately 2,215-foot-long underground transmission line between the BESS and the
21 existing CRW Collector Substation. Estimated costs are based on preliminary engineering
22 and are subject to change based on the final Project design and marketplace escalation
23 before contracts are executed. The cost estimates for the Project are based on Crowned

1 Ridge Energy Storage’s affiliates’ experience and the actual costs incurred for constructing
2 prior similar projects. Crowned Ridge Energy Storage then updated this data based on
3 market conditions and included a risk reserve for unknown variables, such as unfavorable
4 weather conditions, additional environmental or cultural mitigation measures, and
5 material/contractor pricing.

6
7 **Q. WHAT IS CROWNED RIDGE ENERGY STORAGE’S PROPOSED TIMELINE**
8 **FOR CONSTRUCTION AND OPERATION OF THE PROJECT?**

9 A. Subject to receipt of Commission approval, road restrictions, and weather conditions,
10 Crowned Ridge Energy Storage I currently anticipates beginning construction of the
11 Project in May 2027 and commencing commercial operations by May 2028.

12
13 **V. OPERATIONS, MAINTENANCE, AND DECOMMISSIONING**

14 **Q. WHO WILL BE RESPONSIBLE FOR OPERATION OF THE PROJECT AFTER**
15 **IT IS CONSTRUCTED AND PLACED INTO SERVICE?**

16 A. Crowned Ridge Energy Storage will own, operate, and maintain the Project once it is
17 placed into service.

18
19 **Q. HOW WILL CROWNED RIDGE ENERGY STORAGE OPERATE AND**
20 **MAINTAIN THE PROJECT?**

21 A. Crowned Ridge Energy Storage will operate and maintain the Project with one to two full-
22 time local operations and maintenance (“O&M”) employees dedicated to the BESS facility.
23 The full-time local O&M staff responsibilities will include routine inspections, system

1 monitoring, and maintenance activities to support the safe and efficient operation of the
2 energy storage system. The O&M staff for the BESS will be based in Codington, South
3 Dakota and work out of the existing Wind Energy Facility O&M facility located adjacent
4 to the Project.

5
6 **Q. HOW WILL THE PROJECT BE MONITORED?**

7 A. The Project will be monitored remotely 24 hours a day, seven days a week from the
8 NextEra Energy Resources' Renewable Operations Control Center ("ROCC"). The ROCC
9 serves as the communications hub for all of NextEra Energy Resources' non-nuclear
10 generating plants, is able to monitor all aspects of Project operations, and can control the
11 Project remotely, including shutting down individual equipment or the overall Project as
12 needed.

13
14 **Q. WHAT IS THE ESTIMATED LIFE OF THE PROJECT?**

15 A. As noted previously, the Project's estimated useful life is 35 years and can be extended
16 with advancements in technology.

17
18 **Q. WHAT ARE CROWNED RIDGE ENERGY STORAGE'S PLANS REGARDING
19 DECOMMISSIONING OF THE PROJECT?**

20 A. Once the Project has reached the end of its useful life, the Project will be decommissioned
21 with recycling considered for components that are capable of and suitable for recycling.
22 Crowned Ridge Energy Storage's expected process for removal and disposal of facilities

1 is described in Section 28.2 of the Application in more detail, and an initial
2 decommissioning plan is provided as Appendix I to the Application.

3 The materials used in battery energy storage facilities retain value even after the
4 end of the battery's contractual term. At the end of the battery's useful life, the battery cells
5 may either be repurposed for another use (second-life) or recycled, as most of the materials
6 used in lithium-ion cells can be recovered and recycled at the end of their useful life. Many
7 of NextEra Energy Resources' subsidiaries' battery-manufacturing suppliers offer to
8 reclaim their batteries for recycling, allowing the parts to be reused in new products.

9
10 **Q. DOES CROWNED RIDGE ENERGY STORAGE HAVE AN ESTIMATE OF THE**
11 **COSTS NEEDED TO DECOMMISSION THE PROJECT?**

12 A. Yes, the estimated costs to decommission the Project, excluding consideration of salvage,
13 are approximately \$5,016,000.

14
15 **Q. WHO WILL BE RESPONSIBLE FOR THE DECOMMISSIONING COSTS?**

16 A. Crowned Ridge Energy Storage will be responsible for these costs.

17
18 **Q. PROVIDE AN OVERVIEW OF HOW THE PROJECT WILL BE**
19 **DECOMMISSIONED.**

20 A. One year in advance of anticipated decommissioning, Crowned Ridge Energy Storage will
21 provide notice to Codington County that decommissioning will occur. After that time,
22 existing equipment would be removed as described in the Application, and the BESS would
23 be decommissioned. Decommissioning may require up to nine months to complete,

1 depending on weather and other considerations. Decommissioning equipment and the
2 number of personnel would be similar to or less than that required for construction. The
3 goal of decommissioning is to remove the installed power generation equipment and to
4 return the site to a condition as close to a preconstruction state as feasible. Disposal of
5 components will meet applicable provisions of state and local waste requirements, and all
6 receiving facilities will be licensed or certified to accept the specific types of equipment
7 and material discussed.

8

9 **VI. BENEFITS OF THE PROJECT**

10 **Q. ARE THERE ANY BENEFITS ASSOCIATED WITH THE PROJECT FOR** 11 **SOUTH DAKOTA?**

12 A. Yes, South Dakota will benefit from the proposed Project. Specifically, the Project will
13 produce the following benefits: (1) the delivery of 120 MW of battery energy storage
14 capacity; (2) the creation of approximately 60 temporary construction jobs over the
15 approximately 9- to 12-month construction phase, which will include employing local
16 workers if qualified and available; (3) supporting the local economy through the purchase
17 of regional goods and services, including increasing the use of hotels and restaurants in
18 Codington County; (4) the creation of one to two permanent O&M jobs; (5) increasing
19 sales and use tax and contractor excise tax revenues; (6) the generation of property tax
20 revenues over the contracted life of the Project; (7) land purchase payments to landowners;
21 and (8) approximately \$174 million in capital investment in the state of South Dakota.

22 In addition, utility-scale BESS facilities, like the Project, enhance grid resilience
23 during extreme weather events and disruptions by providing immediate backup power,

1 stabilizing grid operations, and integrating renewable energy. BESS facilities can store
2 energy during low demand and release it during peak demand, maintaining grid stability
3 and reducing outages. BESS facilities also support critical infrastructure during
4 emergencies. Quick response times and demand management capabilities make BESS
5 essential for ensuring continuous, reliable power, even in adverse conditions.
6

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes, it does.
9
10

11 Dated this 14th day of May, 2026.
12

13 *Daulton Pearson*

14 Daulton Pearson