

Dr. Steve Rakow

May 19, 2014

Introduction

New facts presented at the Blue Earth public hearing in this matter require my reassessment of the current record and my acknowledgement that I can no longer conclude from the record that the 161 kV Rebuild has been demonstrated to be a reasonable alternative to the proposed Project. As parties will recall, I summarized the status of my analysis under the CN criteria on page 34 of my Surrebuttal Testimony, *in relevant* part as follows:

Q. Please provide the status of your analysis of alternatives at this time.

A. Minnesota Rules 7849.0120 B contains four overall criteria to guide the evaluation of alternative[s]. My testimony addresses three of these criteria. The status of my analysis under these criteria is as follows:

1. *The appropriateness of the size, the type, and the timing of the proposed facility compared to those of reasonable alternatives—the transfer capability of the 161 kV Rebuild alternative better matches the needs demonstrated by the status of compliance with the Minnesota RES.*

DOC DER Ex. ___ at 34 (Rakow Surrebuttal).

New Facts:

At the Blue Earth public hearing on May 13, 2014, Mr. Aaron Backman, Executive Director of the Economic Development Authority for the City of Windom testified that the Odell Wind Farm is about to be constructed in the area and will require a 345 kV transmission line. He testified that the 161 kV Rebuild is too small. Therefore, he supported the proposed Project.

Following Mr. Backman's public hearing testimony, I confirmed that the Commission orally approved a site permit on March 6, 2014, for the 200 MW Odell Wind Farm, MPUC Docket No. IP-6914/WS-13-843, to be constructed in the following Minnesota counties: Cottonwood, Jackson, Martin, and Watonwan. The Commission has not yet issued a written order or written permit. Also, the Commission's December 13, 2013 *Order Approving Acquisitions with Conditions* granted Northern States Power Company d/b/a Xcel Energy several approvals regarding a power purchase agreement with the Odell Wind Farm, MPUC Docket No. E-002/M-13-603.

Significance of the Odell Wind Farm re Need:

Commission issuance of a site permit and other approvals for the Odell Wind Farm is highly significant regarding need. As suggested by Mr. Backman, it means that construction of this large wind farm is likely to commence soon; in my experience, wind farm construction proceeds quickly to completion following approval of a site permit from the Commission.

This means that, in addition to the current general need to increase transmission transfer capacity as confirmed by DOC DER witness Mr. Adam Heinen, there will be a near-term need for higher transmission transfer capacity to accommodate the 200 MW Odell Wind Farm.

Significance of the Odell Wind Farm to the Record:

The significance of the Odell Wind Farm is that the current record does not include any analysis to allow a determination of whether the 161 kV Rebuild would meet the Odell Wind Farm's transmission needs. Neither the Applicants nor MISO included such an analysis; my analysis assumed that the alternative proposed by the Applicant was viable to meet the need. As a result, the record does not support a conclusion that the 161 kV Rebuild would or would not accommodate this near term load. Additional study and analysis would be required.

It is important to note that ITCM did not provide information in its Certificate of Need (CN) application or in its prefiled testimony with respect to the transmission needs of the Odell Wind Farm or the extent to which the 161 kV Rebuild could accommodate that increase. Further, other parties' direct and rebuttal testimonies, such as MISO (Mr. Chatterjee) and CEI (Mr. Goggin) testified about wind farms, but focused on what is needed to meet Minnesota's Renewable Energy Standard (RES) generally and, as I testified, were incorrect in this regard. I responded to their RES-related testimony on pages 4-10 of my Rebuttal Testimony. Mr. Chatterjee's surrebuttal testimony, at page 5, stated that MISO *currently* assumes the MVP portfolio will be constructed during interconnection studies. However, Mr. Chatterjee did not state that this assumption was applied by MISO to projects already approved by the Commission (the Odell wind farm).

Conclusion:

As a result, I must amend my Surrebuttal Testimony on pages 34 and 35 for the following questions and answers:

Q. Please provide the status of your analysis of alternatives at this time.

A. Minnesota Rules 7849.0120 B contains four overall criteria to guide the evaluation of alternative[s]. My testimony addresses three of these criteria. In light of the facts elicited at the Blue Earth public hearing regarding the Commission's recent oral approval of a site permit for the 200 MW Odell Wind Farm, the status of my analysis under these criteria is as follows:

1. *The appropriateness of the size, the type, and the timing of the proposed facility compared to those of reasonable alternatives—the transfer capability of the 161 kV Rebuild alternative better matches the needs demonstrated by the status of compliance with the Minnesota RES. However, the record does not support a conclusion that the 161 kV Rebuild will be adequate to accommodate the Odell Wind Farm. There is no analysis of this question in the record.*

* * *

Q. What is your overall recommendation at this time?

A. ~~Since~~ Although ITCM's filing was inadequate, contained inconsistencies and appears to be premature, the fact of the Odell Wind Farm being constructed in the near future together with its transmission needs, and the fact that there is no analysis in the record from which to conclude that the 161 kV Rebuild would be sufficient, I no longer recommend that the Commission deny ITCM's Petition ~~without prejudice and direct ITCM to refile the Petition at such times as ITCM is able to produce well supported cost estimates that can justly and reasonably be used as a proxy for actual final cost. My other recommendations remain unchanged as to future CN filings by ITCM.~~ [I do not duplicate my remaining unchanged recommendations] In addition the following recommendations from my direct testimony remain applicable:

DOC DER Ex. ___ at 34-35 (Rakow Surrebuttal).