

**REDACTED**

Docket No. 20000-\_\_\_\_-EA-17

Witness: Chad A. Teply

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

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**REDACTED**

Direct Testimony of Chad A. Teply

June 2017

1 **Q. Please state your name, business address, and present position.**

2 A. My name is Chad A. Teply. My business address is 1407 West North Temple, Suite 310,  
3 Salt Lake City, Utah. My position is Vice President of Strategy and Development for  
4 Rocky Mountain Power (“Company”), a division of PacifiCorp.

5 **QUALIFICATIONS**

6 **Q. Briefly describe your education and business experience.**

7 A. I have a Bachelor of Science Degree in Mechanical Engineering from South Dakota  
8 State University. I joined MidAmerican Energy Company (a Berkshire Hathaway  
9 Energy affiliate company) in November 1999, and held positions of increasing  
10 responsibility within the generation organization, including serving as project manager  
11 for a new 780 megawatt (“MW”) supercritical coal-fueled generation resource placed  
12 in service in 2007. In April 2008, I moved to Northern Natural Gas Company (a  
13 Berkshire Hathaway Energy affiliate company) as Senior Director of Engineering.  
14 I joined PacifiCorp in February 2009. In my current role as Vice President of Strategy  
15 and Development, my responsibilities encompass strategic planning, regulatory  
16 support, stakeholder engagement, development and execution of major generation  
17 resource additions, major environmental compliance projects, and major transmission  
18 projects.

19 **PURPOSE AND SUMMARY OF TESTIMONY**

20 **Q. What is the purpose of your testimony?**

21 A. I am testifying in support of the Company’s Application for Certificates of Public  
22 Convenience and Necessity and Nontraditional Ratemaking for Wind and Transmission  
23 Facilities (“Application”). The Company’s 2017 Integrated Resource Plan

1 (“2017 IRP”) preferred portfolio identified a time-limited opportunity to procure  
2 approximately 1,100 MW of cost-effective wind facilities and construct transmission  
3 facilities to relieve existing congestion and allow interconnection of those new wind  
4 facilities, while providing all-in customer savings. To capture the substantial customer  
5 benefits resulting from this time-limited opportunity, the Company filed the  
6 Application, including requests for certificates of public convenience and necessity  
7 (“CPCNs”) for the construction or acquisition of approximately 860 megawatts  
8 (“MW”) of new wind facilities (“Wind Projects”).<sup>1</sup> The Company has secured  
9 development and implementation rights for the Wind Projects, which consist of four  
10 individual wind facilities located in the state of Wyoming.

11 The Wind Projects rely upon the construction of the Aeolus-to-  
12 Bridger/Anticline transmission line and other associated network upgrades  
13 (collectively, the “Transmission Projects”), which will relieve existing congestion and  
14 allow interconnection and integration of the Wind Projects.<sup>2</sup> In turn, the benefits  
15 generated by the Wind Projects—zero-fuel-cost generation that lowers net power costs

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<sup>1</sup> None of the four wind facilities are qualifying facilities under the Public Utility Regulatory Policies Act. *See* 18 C.F.R. § 292.204 (defining criteria for qualifying facilities).

<sup>2</sup> As more specifically described in the testimony of Mr. Rick A. Vail, the Transmission Projects include: (1) a new 140-mile, 500 kilovolt (kV) transmission line segment and associated infrastructure running from the new Aeolus substation near Medicine Bow, Wyoming, to the new Anticline substation located near the existing Jim Bridger substation, which includes construction of the new Aeolus and Anticline substations; (2) a new five-mile 345 kV transmission line that will extend from the proposed Anticline substation to the existing Jim Bridger substation, which includes modifications at the existing Jim Bridger substation to allow termination of the new 345 kV line; (3) installation of a voltage control device at the Latham substation (items 1 through 3 collectively referred to as the “Aeolus-to-Bridger/Anticline line”); (4) a new 16-mile, 230 kV transmission line running from the Company’s existing Shirley Basin substation to the proposed Aeolus substation, which requires modifications to the Shirley Basin substation and interconnection facilities in the new Aeolus substation to accommodate the new line; (5) reconstruction of four miles of an existing 230 kV transmission line between the proposed Aeolus substation and the Freezeout substation, which requires modifications to the Freezeout substation and interconnection facilities in the new Aeolus substation to accommodate the rebuilt line; and (6) reconstruction of 14 miles of an existing 230 kV transmission line between the Freezeout substation and the Standpipe substation, which requires modifications to the Freezeout and Standpipe substations to accommodate the rebuilt line (items 4 through 6 collectively referred to as the “230 kV Network Upgrades”).

1 and 10 years of federal productions tax credits (“PTCs”)—support cost-effective  
2 development of the Transmission Projects. Together, the Wind Projects and the  
3 Transmission Projects provide significant savings to customers over the lives of the  
4 resources.

5 The Company is now conducting a competitive market renewables request for  
6 proposals (“2017R RFP”). Upon conclusion of the 2017R RFP, the Company will  
7 confirm the specific wind facilities that it plans to construct or acquire. In the  
8 Application, the Company provides detailed information on four wind facilities to meet  
9 the CPCN requirements established by the Wyoming Public Service Commission  
10 (“Commission”). The Company is submitting these four wind facilities as benchmark  
11 resources in the 2017R RFP and proxy resources in the Application, pending the final  
12 results of the 2017R RFP. My testimony and exhibits provide the information required  
13 by Commission Rule Chapter 3, Section 21, related to the application for CPCNs for  
14 the Wind Projects.

15 **Q. Please summarize your testimony.**

16 A. My testimony demonstrates that the Company’s proposals to construct or acquire  
17 approximately 860 MW of new Wind Projects and construct the Transmission Projects  
18 (collectively “Combined Projects” or “Projects”) is in the public interest, in the best  
19 interest of customers, and in the best interest of the state of Wyoming. Together, the  
20 Projects provide substantial customer benefits as long as both achieve commercial  
21 operation by the end of 2020. My testimony explains how the Company intends to  
22 further develop and procure the Wind Projects and why it is necessary to submit the  
23 Wind Projects as “proxy” facilities at this time while the Company conducts the

1 2017R RFP in parallel with this CPCN proceeding.

2 **Q. Why is the Company pursuing the Wind Projects?**

3 A. As further described in the testimonies of Ms. Cindy A. Crane and Mr. Rick T. Link,  
4 the Company is pursuing the acquisition and development of the Combined Projects to  
5 deliver a time-sensitive opportunity for customers that is identified in the Company's  
6 2017 IRP preferred portfolio (*i.e.*, addition of approximately 1,100 MW of new wind  
7 resources and the associated new transmission infrastructure by 2020). The Company  
8 has executed the necessary agreements and engaged in the appropriate development  
9 activities to ensure that viable Wind Projects to support the Transmission Projects are  
10 available and positioned to ensure competitive market engagement, and have directly  
11 controllable implementation plans. The Wind Projects support both this CPCN  
12 proceeding and the Company's parallel 2017R RFP process.

13 **GENERAL DESCRIPTION OF THE WIND PROJECTS**

14 **Q. Please describe the Wind Projects.**

15 A. The Wind Projects information incorporated into the Company's Application is  
16 intended to allow the Commission to review the need, economic analyses, and customer  
17 benefit of the Wind Projects while the Company's 2017R RFP is pending. The Wind  
18 Projects include three nominal 250 MW facilities in Wyoming (referred to as Ekola  
19 Flats, TB Flats I, and TB Flats II) that a third-party is currently developing. Each facility  
20 will consist of the commensurate number of 2.0 MW to 4.2 MW wind turbine  
21 generators to achieve up to a nominal 250 MW nameplate capacity, an electrical  
22 collection system, a 34.5 kV to 230 kV collector substation, 230 kV breakers, a 230 kV  
23 tie-line between the wind project and the point of interconnection substation,

1 meteorological towers, access roads, an operations and maintenance (“O&M”)  
2 building, and required communication and control facilities (*e.g.*, metering, hardware,  
3 software, and associated communication circuits and other equipment).

4 The Wind Projects also include a fourth nominal 110 MW wind facility  
5 (McFadden Ridge II), which the Company is currently developing on a Company-  
6 controlled site in Wyoming. McFadden Ridge II is expected to consist of approximately  
7 forty-four 2.3 MW to 2.5 MW wind turbine generators and similar project  
8 infrastructure as those described for the 250 MW facilities.

9 The Wind Projects incorporated into the Application total 860 MW nominally,  
10 and represent facilities for which the Company has secured the rights to carry forward  
11 through development. The Company will submit the Wind Projects into the 2017R RFP  
12 as benchmark proposals, and will construct these facilities if they are the winning bids  
13 in the 2017R RFP.

14 The proposed Wind Projects are estimated to cost approximately [REDACTED].

15 **Q. Why does the Company’s Application seek CPCNs for only 860 MW of wind**  
16 **facilities, when the 2017 IRP identified a resource opportunity of approximately**  
17 **1,100 MW of wind facilities?**

18 A. The Company is seeking CPCNs for only those facilities for which it has development  
19 and implementation rights.

20 **Q. Does the Company’s economic analysis supporting the CPCN for the**  
21 **Transmission Projects include approximately 1,100 MW of new wind facilities?**

22 A. Yes. As the testimony of Mr. Link explains, the Company’s economic analysis includes  
23 certain known qualifying facilities (“QFs”) now in development that are located in the

1 Aeolus area, hold preferential interconnection queue positions, have executed power  
2 purchase agreements contracts, and are reasonably expected to be in service by year-  
3 end 2021. When these QFs are considered in conjunction with the nominal 860 MW of  
4 secured development opportunities, the total generating capacity equates to the  
5 1,080 MW of new wind facilities analyzed in support of this Application.

6 **Q. Please describe the time-sensitive nature of the Combined Projects.**

7 A. The time-sensitive nature of the Combined Projects is primarily driven by the pending  
8 phase-out of the federal PTC for new wind resources. In Internal Revenue Code  
9 (“IRC”) section 45, the U.S. Internal Revenue Service (“IRS”) provides for a PTC at  
10 the 2017 full rate of 2.4 cents per kilowatt hour of electrical energy production by a  
11 wind facility. The PTC is available for a 10-year period that begins when the facility is  
12 placed in service. The Protecting Americans from Tax Hikes Act of 2015 (“the PATH  
13 Act”) extended the availability of the PTC for wind facilities under construction before  
14 January 1, 2020. The PATH Act extension, however, also provides for a phase-out of  
15 the PTC. Wind facilities that began construction before January 1, 2017, will realize  
16 the full PTC credit, which is the case for the Wind Projects. If a wind facility begins  
17 construction in 2017, the PTC is reduced by 20 percent. The PTC is reduced by  
18 40 percent if construction begins in 2018, and by 60 percent if construction begins in  
19 2019. The PTC is not available for wind facilities that begin construction after  
20 December 31, 2019.

21 To receive “safe-harbor” PTCs, the facilities must be placed into commercial  
22 operation by the end of the fourth calendar year following the year in which  
23 construction began (the “start-of-construction” standard) or otherwise meet specific

1 IRS requirements for demonstrating the “continuity requirement” throughout the  
2 implementation timeline. To mitigate the risk of interpretation associated with the IRS’s  
3 “continuity requirement,” the Wind Projects (or other wind facilities selected in the  
4 2017R RFP that rely on (i) the Transmission Projects and (ii) also began construction  
5 before January 1, 2017) must be reviewed, approved, implemented, and placed in  
6 service by year-end 2020 in accordance with the start-of-construction standard and  
7 meeting the “safe harbor” with respect to, the “continuity requirement,” to be eligible  
8 for the full PTC. The Company’s Application is designed to meet this schedule and  
9 provide customers the full economic benefit of the Combined Projects.

10 **Q. Do the Wind Projects meet the IRS’s start-of-construction criteria?**

11 A. Yes. The Company acquired, or has the rights to, sufficient wind turbine generator  
12 equipment and other facility-specific components for the Wind Projects. To meet the  
13 start-of-construction definition for tax purposes, the Company secured the equipment  
14 before December 31, 2016. These transactions satisfy the “safe-harbor” requirements  
15 under the PTC guidance issued by the IRS.

16 **Q. How does the Company plan to procure the Wind Projects or other new wind  
17 facilities?**

18 A. As discussed in the testimony of Mr. Link, concurrent with this CPCN proceeding, the  
19 2017R RFP will be issued to the competitive market requesting up to 1,270 MW of  
20 wind facilities to align with the new resource interconnections enabled by the  
21 Transmission Projects and to facilitate assessment of a wider range of market  
22 responses. The Company will submit the Wind Projects as Company benchmark  
23 proposals in the 2017R RFP in October 2017. The Company anticipates that the 2017R

1 RFP final shortlist of bids will be determined by mid-January 2018.

2 The Company will supplement its Application at that time to incorporate the  
3 results of the 2017R RFP. Depending on the outcome, the results will: (1) identify the  
4 Wind Projects as the winning bids and validate their benefits; (2) identify winning wind  
5 facilities that are in addition to the Wind Projects and request a CPCN for those  
6 projects; or (3) identify winning wind facilities that have been selected instead of one  
7 or more of the Wind Projects and request a CPCN for those facilities. In any scenario,  
8 this will result in final wind facility decisions that are assessed as equal to or better than  
9 the Wind Projects included in this Application.

10 **Q. Why is the Company providing facility-specific information for the Wind Projects**  
11 **now and also planning to later supplement the Application to incorporate the**  
12 **results of the 2017R RFP?**

13 A. The Company’s request for CPCNs for the Combined Projects is driven by the time-  
14 sensitivity and scale of the filing. If the Company waited until the anticipated  
15 conclusion of the 2017R RFP process in early 2018 to begin the CPCN process, the  
16 Company would not receive the requested CPCNs for the Transmission Projects and  
17 could not complete those projects by year-end 2020. The critical-path schedules of the  
18 Transmission Projects are the drivers for the proposed procedural schedule for review  
19 of the Application, and the Company needs conditional CPCNs (subject to final  
20 acquisition of all rights-of-way), to maintain the development schedule. Critical-path  
21 schedule activities for the Transmission Projects are further described in the testimony  
22 of Mr. Rick A. Vail.

1 **Q. On a hypothetical stand-alone basis—i.e., disregarding the Transmission**  
2 **Projects—would the Company’s ability to construct the Wind Projects by year-**  
3 **end 2020 be in jeopardy if the Company is prevented from seeking CPCNs until**  
4 **after completion of the 2017R RFP?**

5 A. No. On a stand-alone basis, the critical-path schedule for the Wind Projects could  
6 accommodate a CPCN process for the Wind Projects that follows the 2017R RFP. As  
7 noted before, however, the economics of the Wind Projects are only viable when they  
8 are combined with the Transmission Projects, and vice versa; the Transmission Projects  
9 are critical path. Therefore, the Company’s ability to construct the Wind Projects by  
10 year-end 2020 is in jeopardy if the company was prevented from seeking CPCNs for  
11 the combined Transmission Projects and Wind Projects until after completion of the  
12 2017R RFP. In recognition of the Wind Projects not being critical path, the Company  
13 has proposed a bifurcated CPCN approval schedule for the Transmission Projects and  
14 Wind Projects, allowing additional time for parties to review and respond to the 2017R  
15 RFP results.

16 **Q. How did the Company develop the Wind Projects?**

17 A. The Company investigated the transmission interconnection queue in the area of the  
18 Transmission Projects and engaged a third-party wind facility developer to identify  
19 facilities that held preferred interconnection queue positions, are commercially viable,  
20 and are reasonably likely to achieve commercial operation by the end of 2020. The  
21 Wind Projects have undergone preliminary vetting for interconnection status,  
22 permitting, constructability, wind resource performance, and equipment supply.

1 **Q. Does the Company anticipate that it will develop additional information for the**  
2 **Wind Projects?**

3 A. Yes. The Company will continue to work on the Wind Projects to ensure that the  
4 Company makes the most competitive benchmark proposals available to customers.  
5 The Company will supplement its Application as necessary.

6 **Q. Does the Company’s proposed procedural process allow the Company to support**  
7 **its Application with market-based information?**

8 A. Yes. The Company will demonstrate the economic benefits of the Combined Projects  
9 with all available competitive market-based information. The concurrent development  
10 of the Wind Projects and the 2017R RFP process will enable the Company to validate  
11 the reasonableness of the winning facilities based on current market information.

12 **Q. Does the Company’s submittal of benchmark resources in the 2017R RFP**  
13 **preclude other competitive market proposals from being selected for**  
14 **implementation?**

15 A. No. The Company has assessed and identified only a portion of the competitive market  
16 wind facilities that are reasonably assumed to be viable considering interconnection,  
17 permitting, construction, performance, and implementation. The Company expects  
18 robust competitive market response to the 2017R RFP and selection of any facility that  
19 is successful in that process.

20 **Q. Has the Company filed applications with the Wyoming Industrial Siting Council**  
21 **(“ISC”) for the Wind Projects?**

22 A. No. The Company intends to submit applications to the Wyoming ISC for any  
23 Company benchmarks selected as successful bids in the 2017R RFP following

1 completion of that process. The Company expects that the ISC review process and  
2 hearings will proceed through October 2018. The ISC is required to hold a hearing  
3 within ninety days of application under W.S. § 35-12-109.

#### 4 **DEVELOPMENT OF WIND PROJECTS**

5 **Q. Has the Company performed preliminary evaluations of the wind potential at**  
6 **each Wind Project site?**

7 A. Yes. Studies completed by the Company indicate that the each of the Wind Project sites  
8 are suitable for a wind facility. The Ekola Flats and TB Flats I and II sites are adjacent  
9 to the Company's existing Dunlap and Seven Mile Hill wind projects. The McFadden  
10 Ridge II facility is an expansion of the Company's High Plains/McFadden Ridge wind  
11 facility. Wind data collected from existing operations and the area of the Wind Projects  
12 indicate that these sites have favorable wind regimes suitable for high performance  
13 wind resources.

14 **Q. Has the Company determined who will be responsible for construction of the**  
15 **Wind Projects?**

16 A. No. The Company has not currently identified who will be responsible for constructing  
17 the Wind Projects. The Company will issue a competitive procurement request for  
18 proposals to obtain firm fixed pricing to engineer, procure, construct and commission  
19 each wind facility. The Company will do this as part of its development process for the  
20 benchmark proposals.

21 **Q. Has the Company determined who will supply the wind turbine generators for the**  
22 **Wind Projects?**

23 A. Not entirely. As discussed above, the Company has acquired or has rights to acquire

1 safe-harbor wind turbine generator equipment and other project-specific components,  
2 which it proposes to use at the Wind Projects as required to meet the IRS's start-of-  
3 construction criteria. The Company intends to secure rights to procure "follow on"  
4 wind turbine generator equipment through a competitive procurement request for  
5 proposals. As with the Company benchmark contractor solicitation process, this effort  
6 will be performed as part of the development process for the benchmark proposals.

7 **Q. Will the Company seek confidential treatment of specific information regarding**  
8 **the Wind Projects, including cost, performance, technical and commercial**  
9 **information?**

10 A. Yes. The Wind Projects represent only a portion of the wind resources that the Company  
11 expects to investigate for possible acquisition or development in response to the  
12 2017R RFP. Information specific to the Wind Projects includes pricing and  
13 performance data from wind turbine generator suppliers and third-party project  
14 developers that is commercially sensitive and is considered proprietary and highly  
15 confidential. As such, project-specific cost, performance, technical and commercial  
16 information, as well as other data, must be maintained as proprietary and highly  
17 confidential information. This is in the best interest of customers because potential  
18 counterparties may use such information to the disadvantage of customers in the bi-  
19 lateral proposals and negotiations for other wind resource assets, sites, equipment,  
20 services (*i.e.*, construction or O&M services) or in competitive request for proposals  
21 processes.

1 **Q. How did the Company generate the cost information for construction, operation,**  
2 **and maintenance of the individual wind facilities through their useful life?**

3 A. The Company prepared its capital cost estimates for the Wind Projects using  
4 information from a variety of sources. The Company obtained wind turbine costs from  
5 a competitive procurement process that was held in 2016 to procure the Company's  
6 safe-harbor wind turbine generator equipment.

7 Development costs reflect negotiated fees with the third-party project developer  
8 for Ekola Flats and TB Flats I and II. The Company developed the balance of plant  
9 engineering, procurement, construction, and commissioning costs using a cost model  
10 similar to that used to develop supply-side resource capital costs for the 2017 IRP.

11 The Company took the transmission interconnection costs from the respective  
12 wind facility's transmission studies. Internal project management and permitting costs  
13 were estimated based upon the Company's experience with construction of past wind  
14 facilities and other recent generation resource additions.

15 The Company applied contingencies in various cost categories to account for  
16 project uncertainties given the current stage of development of the Wind Projects.  
17 O&M cost estimates were developed based upon the Company's experience with wind  
18 resource O&M budgets and third-party contracts for the Company's existing wind  
19 facilities. Ongoing capital costs were estimated based upon the Company's experience  
20 and indicative costs provided by wind turbine generator suppliers for critical capital  
21 components.

1 **Q. Does the Company have any incentive to inflate the costs of the Wind Projects**  
2 **incorporated into the Application?**

3 A. No. As discussed earlier in my testimony, and in the testimony of Mr. Link, the purpose  
4 of the Company's Application is to demonstrate the overall customer benefits of the  
5 Combined Projects, and to further substantiate those benefits with the results of the  
6 2017R RFP. With the inherent competitive market comparison to the RFP bids  
7 underlying the process, there is no incentive or way for the Company to inflate the  
8 costs, with recognition of the need for certain contingencies due to the current state of  
9 development of the Wind Projects.

10 **Q. Will the Wind Projects' wind turbine generators or associated infrastructure be**  
11 **built in Wyoming's Greater Sage Grouse Core area?**

12 A. No. The Wind Projects' wind turbine generators and associated infrastructure,  
13 including the associated 230 kV interconnection tie-lines, will not be located within the  
14 current boundaries of Wyoming's Greater Sage Grouse Core area.

15 **Q. Will the Company collaborate with the Wyoming Game and Fish Department, the**  
16 **U.S. Fish and Wildlife Service, and other environmental agencies in developing**  
17 **and implementing the Wind Projects?**

18 A. Yes. The Company has already initiated discussions with the Wyoming Game and Fish  
19 Department and the U.S. Fish and Wildlife Service regarding developing and  
20 implementing the Wind Projects. The Company, or in some instances the third-party  
21 developer, has begun pre-construction usage surveys for various avian, bat, and wildlife  
22 species utilizing recommendations from applicable state and federal guideline  
23 documents, including the 2012 Land Based Wind Energy Guidelines. The Company

1 will coordinate with county, state, and federal agencies that have jurisdiction over  
2 development, permitting, and operations to ensure appropriate environmental and  
3 safety measures are implemented throughout the life of the Wind Projects. The  
4 Company is committed to establishing development and implementation schedules and  
5 protocols that recognize potential environmental impacts and strive to mitigate them.

6 **Q. How will potential visual and lighting impacts from the Wind Projects be**  
7 **addressed?**

8 A. State and county permitting regulations contain requirements that recognize and  
9 address potential visual and lighting impacts. The Company will incorporate those  
10 applicable measures into the siting, construction, and operations of the Wind Projects  
11 as part of the permitting process. Such measures may include: down shielded lighting  
12 on project infrastructure, Federal Aviation Administration approved/recommended  
13 turbine lighting protocols, active aviation light management, and use of approved  
14 turbine paint color schemes.

15 **Q. What is the expected operational life of the Wind Projects?**

16 A. The anticipated operational life of the Wind Projects has been assessed at 30 years for  
17 the purposes of this CPCN Application, which aligns with the Company's currently  
18 approved depreciable life for wind resources. The operational life may be reviewed and  
19 extended based on advances in turbine technologies and/or improvements in  
20 maintenance processes through the course of the Company's regular depreciation  
21 studies and filings.

1 **Q. Will the Wind Projects be decommissioned or repowered at the end of their**  
2 **operational life?**

3 A. The Company may dismantle and reclaim the Wind Projects at the end of their  
4 operational life based upon operating permit requirements. Typically, county and state  
5 agencies identify the decommissioning requirements during the permitting process,  
6 including expected reclamation efforts and overall decommissioning costs and security  
7 requirements. The Company may also consider replacing or upgrading the existing  
8 infrastructure at the end of the operational life if conditions (*i.e.*, economics, permitting,  
9 customer load needs, etc.) are conducive to reinvestment in the Wind Projects.

10 **Q. Is the Company supporting wind turbine technician training in Wyoming for**  
11 **potential operations staff for the Wind Projects?**

12 A. Yes. The Company has entered into discussions to develop a partnership with  
13 Wyoming's Laramie County Community College. The Cheyenne-based college  
14 provides a two-year Associate of Applied Science degree in Wind Energy. With this  
15 partnership, the Company will not only support the training and placement of skilled  
16 workers, but also provide guidance in curriculum development and industry needs.

17 **Q. When will construction of the Wind Projects begin and end?**

18 A. As described in detail in the exhibits attached to my testimony, site construction of the  
19 Wind Projects will begin as soon as the fourth quarter of 2019. The Company will not  
20 begin construction, however, until it has received all of the necessary regulatory  
21 approvals and applicable permits and authorizations from other local, state, tribal or  
22 federal governmental agencies that have jurisdiction over the construction or operation  
23 of the Wind Projects, including approval from the ISC and conclusion of the

1 2017R RFP to ensure that the projects ultimately selected are in the best interest of  
2 customers. The Company anticipates that substantial completion, under normal  
3 construction circumstances, weather conditions, labor availability and materials  
4 delivery, will be achieved by November 15, 2020.

5 **Q. Please summarize why the Wind Projects are beneficial to the state of Wyoming.**

6 A. As described in Ms. Crane’s testimony, the Wind Projects are beneficial to the state of  
7 Wyoming because construction will support state and local economies through a  
8 significant addition to the Company’s tax basis and addition of long-term operating  
9 assets and the associated direct and indirect employment opportunities. Additionally,  
10 the Wind Projects further Wyoming’s objective of effectively using Wyoming’s natural  
11 resources for the benefit of residents and the long-term economic health of the state.  
12 Finally, the Wind Projects are beneficial to Wyoming because they demonstrate that  
13 wind is one of many valuable natural resources in the state. Economically attractive  
14 and environmentally responsible projects, such as the Wind Projects, should be  
15 constructed in Wyoming to take advantage of the valuable wind resource for the benefit  
16 of residents and, as it relates to the Company, for the benefit of our significant customer  
17 base.

18 **Q. Please explain why the Wind Projects are in the public interest.**

19 A. The Wind Projects are in the public interest because: (1) they will become an essential  
20 element of the Company’s diversified resource portfolio that is needed to serve  
21 customers; (2) the facilities are desirable due to location-specific attributes; and (3) the  
22 Wind Projects will benefit customers as a whole.

1                   **REQUIREMENTS OF RULE CHAPTER 3, SECTION 21**

2   **Q.   Please summarize how the Company’s Application meets the requirements for a**  
3   **CPCN application.**

4   A.   Commission Rule, Chapter 3, Section 21(c), describes what must be included in an  
5   application for a CPCN. The exhibits to my testimony include the required information  
6   for the Wind Projects.

7   **Q.   Please describe your exhibits for the nominal 250 MW Ekola Flats facility that**  
8   **provide the information required by Commission Rule, Chapter 3, Section 21(c).**

9   A.   The required information for the nominal 250 MW Ekola Flats facility is included in  
10   Confidential Exhibit RMP\_\_(CAT-1) to my testimony. Confidential Exhibit  
11   RMP\_\_(CAT-1) Subparts are identified as follows:

- 12       •   Highly Confidential Exhibit CAT1-1—Wind Turbine Generator (“WTG”) Site  
13           Layout
- 14       •   Highly Confidential Exhibit CAT1-2—WTG Scope of Supply Example
- 15       •   Confidential Exhibit CAT1-3—Balance of Plant Scope of Work Template
- 16       •   Confidential Exhibit CAT1-4—Capital Costs Detail
- 17       •   Confidential Exhibit CAT1-5—Incremental Operational and Maintenance and  
18           Ongoing Capital Costs Detail
- 19       •   Confidential Exhibit CAT1-6—Indicative Project Execution Schedule
- 20       •   Highly Confidential Exhibit CAT1-7—Preliminary Project Map
- 21       •   Confidential Exhibit CAT1-8—Geotechnical Report
- 22       •   Confidential Exhibit CAT1-9—Preliminary Topographical Map

- 1 • Confidential Exhibit CAT1-10—Preliminary Scenic Byways, Recreational Areas,  
2 National Parks, and State Parks Review
- 3 • Highly Confidential Exhibit CAT1-11—Preliminary Cultural and Paleontological  
4 Resources Review
- 5 • Confidential Exhibit CAT1-12—Preliminary Wildlife and Plant Species of  
6 Potential Concern Review
- 7 • Confidential Exhibit CAT1-13—Preliminary Aviation and Airspace Review
- 8 • Confidential Exhibit CAT1-14—Interconnection Facilities Study
- 9 • Confidential Exhibit CAT1-15—Preliminary Local, State, Federal, and Tribal  
10 Requirements Review

11 **Q. Please describe the exhibits to your testimony for the nominal 250 MW TB Flats I**  
12 **wind facility and the nominal 250 MW TB Flats II wind facility provide the**  
13 **information required by Commission Rule, Chapter 3, Section 21(c).**

14 A. The required information for the nominal 250 MW TB Flats I wind facility and the  
15 nominal 250 MW TB Flats II wind facility is included in Confidential Exhibit  
16 RMP\_\_(CAT-2) to my testimony. Confidential Exhibit RMP\_\_(CAT-2) Subparts  
17 CAT2-1 through CAT2-16 are provided with the similar reference material designations  
18 as the CAT1 Exhibit Subparts listed above. The required information for these two  
19 facilities is incorporated into one set of exhibits due to the contiguous development and  
20 adjacent locations of the facilities.

1 **Q. Please describe the exhibits for the nominal 110 MW McFadden Ridge II wind**  
2 **facility that provide the information required by Commission Rule, Chapter 3,**  
3 **Section 21(c).**

4 A. The required information for the nominal 110 MW McFadden Ridge II wind facility is  
5 included in Exhibit RMP\_\_(CAT-3) to my testimony. Exhibit RMP\_\_(CAT-3) Subparts  
6 CAT3-1 through CAT3-17 are provided with similar reference material designations as  
7 the CAT1 and CAT2 Exhibit Subparts listed above.

8 **CONCLUSION AND RECOMMENDATION**

9 **Q. Please summarize your recommendation to the Commission.**

10 A. I recommend that the Commission determine that the Wind Projects, or the alternative  
11 or additional wind facilities that result from the 2017R RFP, provide significant benefits  
12 to Wyoming customers and the state of Wyoming and therefore are in the public  
13 interest. Based on those findings and conclusions, I recommend that the Commission  
14 grant the Company the CPCNs for the Wind Projects, or alternatives that result from  
15 the 2017R RFP, at the conclusion of these proceedings.

16 **Q. Does this complete your testimony?**

17 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**

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IN THE MATTER OF THE	)	
APPLICATION OF ROCKY	)	
MOUNTAIN POWER FOR	)	DOCKET NO. 20000-__-EA-17
CERTIFICATES OF PUBLIC	)	(RECORD NO. _____)
CONVENIENCE AND NECESSITY	)	
AND NONTRADITIONAL	)	
RATEMAKING FOR WIND AND	)	
TRANSMISSION FACILITIES	)	

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**AFFIDAVIT, OATH AND VERIFICATION**

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Chad A. Teply (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

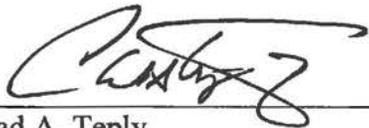
Affiant is the Vice President of Strategy and Development, PacifiCorp, which is a party in this matter.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its associated attachments are true and complete and constitute the recommendations of the Affiant in his official capacity as Vice President of Strategy and Development.

Further Affiant Sayeth Not.

Dated this 29<sup>th</sup> day of June, 2017

  
\_\_\_\_\_  
Chad A. Teply  
*VP, Strategy and Development*  
1407 W. North Temple, Ste. 310  
Salt Lake City, UT 84116  
(801) 220-4715

STATE OF UTAH            )  
  ) SS:  
COUNTY OF SALT LAKE    )

The foregoing was acknowledged before me by Chad A. Teply on this 29 day of June, 2017. Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 10/19/2019

