

Docket No. 20000-633-ER-23
Witness: Timothy J. Hemstreet

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Rebuttal Testimony of Timothy J. Hemstreet

September 2023

1 **Q. Are you the same Timothy J. Hemstreet who previously provided direct testimony**
2 **in this case on behalf of PacifiCorp d/b/a Rocky Mountain Power (“PacifiCorp”**
3 **or the “Company”)?**

4 A. Yes.

5 **I. PURPOSE OF REBUTTAL TESTIMONY**

6 **Q. What is the purpose of your rebuttal testimony?**

7 A. I respond to the testimony and recommendations of Wyoming Industrial Energy
8 Consumers (“WIEC”) witness Mr. Kevin C. Higgins related to the Foote Creek II-IV
9 repowering project (“Project”).

10 **II. ENERGY ASSESSMENT AND COST RECOVERY FOR FOOTE CREEK II-**
11 **IV REPOWERING PROJECT**

12 **Q. What concern does Mr. Higgins raise with respect to the Project?**

13 A. The Project will install 11 new wind turbines with a nameplate capacity of
14 46.2 megawatts (“MW”). These turbines will be subject to curtailment at high wind
15 speeds to ensure the Project remains within its transmission system interconnection
16 limit, which is lower. This curtailment will result in a reduction in the energy output of
17 the new turbines as compared to a condition in which the interconnection limit was not
18 a constraint. Mr. Higgins questions whether it is reasonable for customers to bear the
19 full revenue requirement for a project that must curtail generation at times to remain
20 within its interconnection limit.¹

21 **Q. Does Mr. Higgins contend that installing wind turbines with a nameplate capacity**
22 **that exceeds the interconnection limit necessarily warrants a disallowance?**

23 A. No, he does not. Rather, Mr. Higgins simply states that the interconnection limit

¹ Confidential Direct Testimony of Kevin C. Higgins at 22 (WIEC Exhibit No. 200).

1 curtailment losses should be considered in the economic analysis of a project, which
2 he apparently believes did not occur with the Project.

3 **Q. Is it a unique circumstance that the Project has an installed nameplate capacity**
4 **that exceeds its interconnection limit?**

5 A. No. Most of the Company's wind projects – 13 out of 17 – have installed turbine
6 nameplate capacity that exceeds the interconnection limit of the project.²

7 **Q. Is Mr. Higgins correct that the Company did not consider the interconnection limit**
8 **in the design and economic analysis of the Project?**

9 A. No. The Company considered the interconnection limit in the design of the Project as
10 well as its energy assessment and resulting economic analysis. However, in its most
11 recent energy assessment of the Project, the Company amended its analysis to properly
12 account for a reduction in energy associated with the Foote Creek I repowering project,
13 which will occur as a result of moving one turbine to the Foote Creek II interconnection
14 from Foote Creek I. This updated analysis was unrelated to the transmission system
15 interconnection limit of the Projects.

16 **Q. So the reduction in energy that Mr. Higgins cites was unrelated to interconnection**
17 **limitations?**

18 A. Correct. Mr. Higgins appears to have mistaken the Company's adjustment as one that
19 was necessary to account for interconnection limitations.

² The Company's response to WIEC Data Request 11.7(i) is included in WIEC Exhibit No. 200.14.

1 **Q. Putting aside whether the adjustment was related to interconnection limitations**
2 **or not, does the reduction in net energy from the Company's adjustment to the**
3 **energy estimate change the fundamental economics and customer benefits of the**
4 **Project?**

5 A. No. The Company revised its economic analysis to reflect the updated energy estimate
6 and the Project remains beneficial to customers under every price-policy scenario. The
7 adjustment did not materially change the results. The results of the revised economic
8 analysis were provided in response to WIEC Data Request 19.1.

9 **Q. Even though the Project remains beneficial to customers in every price-policy**
10 **scenario with the updated analyses, does Mr. Higgins recommend a reduction in**
11 **revenue requirement for the Project?**

12 A. Yes.

13 **Q. What adjustment to the Company's revenue requirement does Mr. Higgins**
14 **recommend?**

15 A. Mr. Higgins recommends that the Company's revenue requirement for the Project be
16 reduced by a percentage that reflects the difference in the initial and adjusted net energy
17 production that the Company estimated will result from the Project.³

18 **Q. What rationale does Mr. Higgins advance in support of his adjustment?**

19 A. Mr. Higgins states the adjustment is appropriate because the Company's economic
20 analysis for the Project was based upon the Company's earlier energy production
21 estimate, and because the Company had not demonstrated the impact of the revised
22 estimate on net customer benefits.⁴

³ Confidential Direct Testimony of Kevin C. Higgins at 23 (WIEC Exhibit No. 200).

⁴ *Id.*

1 **Q. Has the Company corrected the record with respect to Mr. Higgins' concerns?**

2 A. Yes. As I mentioned above—and as Mr. Higgins himself acknowledges—the Company
3 provided a revised economic analysis for the project in its response to WIEC Data
4 Request 19.1 that demonstrates the Project remains highly beneficial to customers with
5 the revised energy estimate.⁵

6 **Q. Do you believe it is reasonable to adjust the Company's revenue requirement for
7 the Project as recommended by Mr. Higgins?**

8 A. No. The Company has addressed the concerns raised by Mr. Higgins by providing a
9 revised economic analysis. Further, his stated reasons for the adjustment—that the
10 Company neglected to consider interconnection losses at the Project—is untrue. The
11 Project is highly beneficial and allows customers to continue to benefit from one of the
12 premier wind energy locations in the state of Wyoming. And because this resource is
13 so cost-effective, the Project actually reduces the revenue requirement the Company is
14 seeking in this case, and will save customers money once operational.

15 The Company should not be penalized for implementing a project with these
16 benefits, especially since the adjustment recommended by Mr. Higgins would simply
17 penalize the Company for taking pains to ensure the energy estimates it develops in
18 support of its projects are as accurate as possible.

⁵ The Company's response to WIEC Data Request 19.1 is included in WIEC Exhibit No. 200.15.

1 **Q. Are you aware of the Commission previously approving a disallowance or**
2 **adjustment to the Company's revenue requirement for a repowering project as a**
3 **result of changes the Company made to its energy estimates for a wind project?**

4 A. No. I am not aware of the Commission making any such adjustments in prior rate cases
5 in which the Company has sought to recover wind repowering project costs.

6 **III. CONCLUSION**

7 **Q. What is your recommendation to the Commission?**

8 A. I recommend the Commission reject Mr. Higgins' recommendation with respect to the
9 Project and allow the Company to fully recover its costs of implementing this beneficial
10 project in rates.

11 **Q. Does this conclude your rebuttal testimony?**

12 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE)
APPLICATION OF ROCKY) DOCKET NO. 20000-633-ER-23
MOUNTAIN POWER FOR) (RECORD NO. 17252)
AUTHORITY TO INCREASE ITS)
RETAIL ELECTRIC SERVICE RATES)
BY APPROXIMATELY \$140.2)
MILLION PER YEAR OR 21.6)
PERCENT AND TO REVISE THE)
ENERGY COST ADJUSTMENT)
MECHANISM)

AFFIDAVIT, OATH AND VERIFICATION

Timothy J. Hemstreet (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

Affiant is the Vice President of Renewable Energy Development for 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.

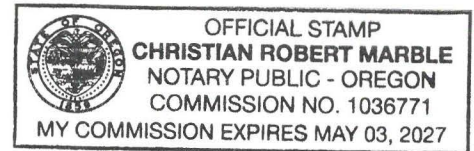
Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its associated attachments are true and complete and constitute the recommendations of the Affiant in their official capacity as Vice President of Renewable Energy Development.

Further Affiant Sayeth Not.

Dated this 21st day of September, 2023

Timothy J. Hemstreet
Vice President of Renewable Energy Development

STATE OF OREGON)
) SS:
COUNTY OF MULTNOMAH)



The foregoing was acknowledged before me by Timothy J. Hemstreet on this 21st day of September, 2023. Witness my hand and official seal.

Notary Public

My Commission Expires: 5/3/2027