

Exhibit No.
Issue: Request for Proposals for Wind
Generation Acquisition
Witness: Timothy N. Wilson
Type of Exhibit: Direct Testimony
Sponsoring Party: The Empire District Electric
Company
Case No:
APSC Docket No. 17-061-U
KCC Docket No. 18-EPDE-_____-PRE
MPSC File No. EO-2018-0092
OCC No. PUD 2017 _____
Date Testimony Prepared: October 2017

Direct Testimony

of

Timothy N. Wilson



Empire District™
A Liberty Utilities Company

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

2 A. My name is Timothy N. Wilson and my business address is 602 South Joplin
3 Avenue, Joplin, Missouri, 64801.

4 **Q. WHO IS YOUR EMPLOYER AND WHAT POSITION DO YOU HOLD?**

5 A. I am employed by Liberty Utilities Service Corp. as the Central Region Director
6 of Electric Operations – Services. My primary responsibilities include managing
7 large capital projects in energy supply and operations for The Empire District
8 Electric Company (“Empire” or “Company”), ensuring compliance for Empire’s
9 generation fleet and integrating Empire’s projects into the Company’s regulatory
10 strategy.

11 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
12 **BACKGROUND.**

13 A. I graduated from Pittsburg State University in 2000 with a Bachelor of Science in
14 Education, Mathematics and from Missouri State University in 2010 with a
15 Master of Science in Project Management. In October of 1999, I was hired by the
16 Company as an Associate Planning Analyst in the Strategic Planning Department.
17 I have held various other positions within the Company including Planning
18 Analyst, Energy Trader, Energy Supply Planning and Operations Analyst,
19 Manager of Renewable and Strategic Initiatives. In 2010, I was named Director
20 of Environmental, Projects, and Integration Management and held that position
21 until I moved into my current role.

22 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
23 **CASE?**

1 A. My testimony describes the process Empire will follow to identify and select wind
2 projects for acquisition so it can carry out its Customer Saving Plan, as described in
3 the testimony of Company witness Swain.

4 **Q. PLEASE EXPLAIN THE PROCESS FOR SELECTING WIND PROJECTS.**

5 A. Empire, with the assistance of Burns & McDonnell, developed a competitive
6 Request for Proposals (“RFP”) for the complete engineering, procurement,
7 construction, and transfer of ownership of up to 800 MW of fully functional and/or
8 operational wind energy projects that are strategically located in or near the Empire
9 service territory (the “Wind Projects”). The Notice of Intent for the RFP was issued
10 on October 16, 2017 to 11 developers who have a proven track record in developing
11 wind projects. The RFP includes detailed Instructions to Bidders which explain all
12 of the details of the RFP process, including the process for pre-bid questions, the
13 qualifications of bidders and their subcontractors, the method for submitting
14 proposals, the bid and project selection schedule, the criteria for bid evaluation, and
15 the time frame for construction of the projects and their ultimate transfer to the
16 Company. A copy of the Instructions to Bidders is included as **Confidential Direct**
17 **Attachment TNW-1.**

18 **Q. WHAT TYPES OF PROJECTS DOES THE RFP SOLICIT?**

19 A. The RFP provides two options to developers. The first is for projects that are
20 currently owned by the project developer and can be constructed and then
21 purchased prior to the project achieving commercial operation. The second option
22 is for a developer to construct a wind project on sites in Missouri currently being
23 developed by Empire. In both cases, any wind farm that is acquired or developed

1 would be jointly owned by a subsidiary of Empire and a tax equity partner, as
2 described in Company witness Mooney’s testimony. The RFP will seek projects
3 that are able to maximize the value of Production Tax Credits (“PTCs”) and are a
4 minimum of 100 MW. Empire will seek projects that are within the Southwest
5 Power Pool (“SPP”) footprint, with a preference for those projects strategically
6 located in or near the Empire service territory.

7 **Q. THE RFP STATES THAT THERE IS A PREFERENCE FOR WIND**
8 **PROJECTS STRATEGICALLY LOCATED IN OR NEAR EMPIRE’S**
9 **SERVICE TERRITORY. WHY IS THAT PREFERENCE INCLUDED IN**
10 **THE RFP?**

11 A. As with any generation project, sufficient transmission capacity has to be available
12 in order to get the energy generated at the facility to Empire’s load. We believe the
13 closer the facility is to Empire’s service territory, the easier and more economic it
14 will be to obtain transmission service for that generator. As described by Company
15 witness Mertens, it is important to minimize the risk associated with transmission
16 upgrade costs and congestion pricing in the SPP Integrated Marketplace. This is
17 one of many selection criteria that will be utilized to select finalists.

18 **Q. WHAT HAPPENS ONCE EMPIRE SELECTS FINALISTS?**

19 A. Once Empire selects a finalist (or finalists), Empire will negotiate a Purchase and
20 Sale Agreement with the finalist and provide the Commission with copies of such
21 executed agreements once finalized. This agreement will set forth all of the terms
22 and conditions governing Empire’s purchase of the Wind Project(s), and will ensure
23 that there are proper protections for Empire and its customers. For example, any

1 winning bidder will be required to have an Independent Engineer prepare a written
2 report confirming that: (1) the Wind Project has achieved mechanical completion;
3 (2) there is a reasonable likelihood the Wind Project will be timely placed in
4 service, and; (3) there is a reasonable likelihood the Wind Project's tested capacity
5 will exceed a certain guaranteed level.

6 **Q. WILL THE RFP SEEK ANY POWER PURCHASE AGREEMENTS FOR**
7 **WIND?**

8 A. No. The RFP is limited to the acquisition of wind projects, and does not seek
9 power purchase agreements. Company witness Mertens discusses the reasons why
10 the Company is pursuing project acquisitions instead of power purchase
11 agreements, and why its focus is limited to wind generation. Also, based on
12 Empire's modeling in its Generation Fleet Savings Analysis, which is described in
13 the testimony of Company witness McMahon, Empire demonstrates how ownership
14 of wind generation would provide significant financial benefits to its customers
15 over 20 years using a tax equity partnership structure and when combined with the
16 retirement of its Asbury plant.

17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A. Yes, it does.

DIRECT ATTACHMENT TNW-1

CONFIDENTIAL IN ITS ENTIRETY

