

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-24-04
OF ROCKY MOUNTAIN POWER FOR)	
AUTHORITY TO INCREASE ITS RATES)	DIRECT TESTIMONY OF
AND CHARGES IN IDAHO AND)	JEFFREY M. WAGNER
APPROVAL OF PROPOSED)	REDACTED
ELECTRIC SERVICE SCHEDULES AND)	
REGULATIONS)	

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-24-04

May 2024

1 I. INTRODUCTION AND QUALIFICATIONS

2 Q. Please state your name, business address, and current
3 position with PacifiCorp d/b/a Rocky Mountain Power
4 ("PacifiCorp" or the "Company").

5 A. My name is Jeffrey M. Wagner. My business address is 825
6 NE Multnomah St., Suite 1800, Portland, Oregon, and I am
7 a Renewable Development Manager.

8 Q. Please describe your education and professional
9 experience.

10 A. I have a Bachelor of Science Degree from Walla Walla
11 University and a Master of Business Administration from
12 the University of Wisconsin-Madison. My career in energy
13 began in 2005, including positions at PPM Energy, Eurus
14 Energy, Volkswind and WPD Wind Projects. Prior to
15 joining PacifiCorp in May 2022, I had various roles
16 including project manager, developer and managing
17 director of wind energy development. To date, I have
18 played a key role in developing over 3,000 megawatts
19 ("MW") of wind facilities in eight states. In my current
20 role at PacifiCorp as a Renewable Development Manager,
21 my responsibilities encompass strategic planning,
22 regulatory support, stakeholder engagement, and
23 development and execution of major generation resource
24 additions.

1 **Q. Have you previously testified in regulatory proceedings?**

2 A. Yes. I have previously filed testimony on behalf of the
3 Company in regulatory proceedings in Oregon.

4 **II. PURPOSE OF TESTIMONY**

5 **Q. What is the purpose of your testimony in this case?**

6 A. I provide a general description of the Rock Creek I Wind
7 Project ("Rock Creek I") that the company is requesting
8 rate recovery of in this proceeding, an update on
9 development and construction of the project, and discuss
10 general project costs.

11 **Q. Why did the Company pursue Rock Creek I?**

12 A. As further described in the testimony of Company witness
13 Thomas R. Burns, the Company's 2021 Integrated Resource
14 Plan ("IRP") preferred portfolio and 2021 IRP Update
15 both identified a resource need based on a near-term
16 capacity deficit. The Company conducted the 2020 All-
17 Source Request for Proposal ("2020AS RFP") to identify
18 cost-effective resources to fill this need. Bids were
19 received from third parties for resources in the form of
20 build-transfer agreements ("BTAs"), power purchase
21 agreements, and tolling agreements. Rock Creek I was bid
22 by a third-party developer ("Invenergy") as a BTA, and
23 this bid was identified among the most economical assets
24 to meet the Company's identified resource need.

1 **III. GENERAL DESCRIPTION**

2 **Q. Please describe the Rock Creek I project.**

3 A. Invenergy developed and is constructing two separate
4 facilities—the 190 MW Rock Creek I and 400 MW Rock
5 Creek II facilities. Both resources were selected in the
6 2020AS RFP. The Company will also procure the Rock
7 Creek II facility from Invenergy, however that facility
8 is planned to reach commercial operation in 2025, beyond
9 the test period for this rate proceeding. My testimony
10 therefore is focused on Rock Creek I.

11 The Rock Creek I project is located in Carbon and
12 Albany counties, Wyoming and will include (without
13 limitation): wind turbine generators (“WTGs”) with
14 associated foundations and base pads, electrical
15 collector systems, collector substations, access roads,
16 operations and maintenance buildings, fiber optical
17 and/or microwave communication equipment, supervisory
18 control and operating status data acquisition control
19 systems, main power transformers, meteorological
20 evaluation towers, and overhead transmission tie-lines
21 from the collector substation to the point of
22 interconnection. The point of interconnection will be at
23 the existing Foote Creek substation in Carbon County in
24 southeast Wyoming and will interconnect at 230-
25 kilovolts. The site plan for Rock Creek I and Rock Creek

1 II is shown in Exhibit No. 40.

2 **Q. Have preliminary evaluations of the wind potential been**
3 **performed for Rock Creek I?**

4 A. Yes. Wind resource studies completed for the project
5 indicate that the Rock Creek I site is suitable for high
6 capacity factor wind facilities.¹ Moreover, the site is
7 adjacent to the Company's existing High Plains, McFadden
8 Ridge, and Foote Creek Rim wind facilities. Wind data
9 collected from the Company's existing operating wind
10 projects in the area, and the operational history of
11 these projects, demonstrate that the Rock Creek I site
12 has a favorable wind regime suitable for a high
13 performance wind energy facility.

14 **Q. What is the expected operational life of Rock Creek I?**

15 A. Rock Creek I has an anticipated operational life of
16 30 years, which aligns with the Company's currently
17 approved depreciable life for all of its existing wind
18 resources.

19 **Q. Has the Company received a certificate of public**
20 **convenience and necessity ("CPCN") for Rock Creek I?**

21 A. Yes. The Company filed a CPCN application with the
22 Wyoming Public Service Commission ("Wyoming Commission")
23 in August 2022, and the Wyoming Commission approved the

¹ Confidential Exhibit No. 41 Energy Yield Assessment for Rock Creek.

1 application during public deliberations held on
2 February 28, 2023.²

3 **IV. DEVELOPMENT AND CONSTRUCTION STATUS**

4 **Q. What is the current status of Rock Creek I?**

5 A. Development efforts at Rock Creek I have been completed
6 and the project is now in construction. Invenergy's
7 development efforts included multiple years of wind
8 resource analysis, substantial wildlife and
9 environmental analyses used to design the project and
10 minimize environmental impacts, securing site control
11 through wind energy leases with site property owners,
12 and securing an interconnection agreement with
13 PacifiCorp's transmission function. Invenergy also
14 received conditional use permits in Carbon and Albany
15 Counties and its permit from the Wyoming Department of
16 Environmental Quality, Industrial Siting Division, to
17 support the construction and ongoing operation of the
18 wind facilities. Invenergy is responsible for the final
19 development and construction of the project in
20 accordance with all permitting and technical
21 requirements.

22 As of December 2023, 90 percent of civil
23 construction was complete, and all turbine foundations

² *In re Rocky Mountain Power Rock Creek CPCN*, Docket No. 20000-623-EN-22, Record No. 17154, Order 29595 (Aug. 9, 2023).

1 were complete and backfilled. Turbine deliveries are
2 planned to begin in May 2024. Construction remains on
3 track to enable the project to complete testing and
4 commissioning in the fourth quarter of 2024, and to be
5 placed in-service in December 2024.

6 **Q. Has PacifiCorp conducted due diligence to confirm the**
7 **development status of the project?**

8 A. Yes. As part of the 2020AS RFP and throughout the
9 subsequent negotiations with Invenergy, PacifiCorp has
10 conducted due diligence to confirm the on-time
11 development of various items including interconnection
12 status, wind resource performance, production tax credit
13 ("PTC") eligibility, site control, permitting status,
14 and conformance to technical specifications. This due
15 diligence informed the Company's negotiations with
16 Invenergy on the scope, schedule, cost, and other terms
17 to establish the BTA.

18 **Q. Has the Company executed a BTA for Rock Creek I?**

19 A. Yes. The Company and Invenergy executed a binding BTA
20 for Rock Creek I on March 24, 2023.³ The BTA includes
21 provisions for the supply of WTGs for the project,
22 balance of plant construction by a qualified wind energy
23 contractor, and ongoing management of the complete

³ Confidential Exhibit No. 42.

1 construction of the project. The Company also executed
2 an operations and maintenance agreement with Invenergy
3 which provides for ongoing service and maintenance of
4 the project after it achieves commercial operation.⁴

5 **Q. Please explain the key terms and customer protections of**
6 **the BTA.**

7 A. Under the BTA, Invenergy is obligated to develop,
8 engineer, procure equipment for, construct, and transfer
9 ownership of Rock Creek I to the Company. The planned
10 in-service date is December 2024. PacifiCorp is
11 obligated to pay a defined purchase price to Invenergy
12 under the BTA. The purchase price is fixed, but can be
13 amended based on certain events. The BTA contains pre-
14 and post-start of construction risk and cost-sharing
15 mechanisms. As Rock Creek I started construction in
16 April 2023, the pre-construction protections served
17 their purpose and Invenergy's construction activities
18 remain on track to achieve the in-service date of
19 December 2024. Examples of cost mitigation protections
20 include:

- 21 a. [REDACTED]
22 [REDACTED]
23 [REDACTED]

⁴ Confidential Exhibit No. 43.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 b. [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 c. [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

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[REDACTED]

10 d. Liquidated Damages: In the event that the project
11 is delayed, Invenergy is required to pay liquidated
12 damages to PacifiCorp.

13 **Q. Who is responsible for construction of Rock Creek I?**

14 A. Invenergy is responsible for construction of Rock
15 Creek I, and is utilizing and managing multiple
16 contractors that are engaged in different aspects of the
17 construction. Invenergy is managing the construction
18 progress with PacifiCorp oversight until construction is
19 complete.

20 **Q. Who will be responsible for supplying WTGs for Rock
21 Creek I?**

22 A. The WTGs will be purchased and delivered according to
23 the terms of a turbine supply agreement which was

1 negotiated and executed by Invenergy.⁵ The project is
2 installing WTGs manufactured by [REDACTED] with a
3 nominal nameplate capacity of [REDACTED] MW each and rotor
4 diameter of [REDACTED] meters.

5 **Q. When will construction begin and end?**

6 A. Construction commenced in the second quarter of 2023,
7 with a planned in-service date of December 2024 for Rock
8 Creek I, assuming normal construction circumstances such
9 as weather conditions, labor availability, materials
10 delivery, and permit and agreement processing durations.

11 **Q. How will the Company oversee construction of the project
12 to maintain the proposed in-service date?**

13 A. PacifiCorp's Owner's Engineer oversees construction to
14 ensure the project will be completed on time. This
15 includes reviewing all design submittals to ensure
16 Invenergy meets the technical specification and
17 performance requirements outlined in the BTA, and making
18 periodic site visits to ensure that critical
19 infrastructure is installed per the design documents and
20 has passed acceptability testing.

21 PacifiCorp also uses full-time on-site inspector(s)
22 to ensure that Invenergy adheres to the project schedule
23 and builds the project consistent with the terms of the

⁵ Confidential Exhibit No. 44 (RC 1 Turbine Supply Agreement).

1 BTA. This includes monitoring Invenergy's day-to-day
2 activities, attending daily site meetings, and providing
3 inspection services as needed. PacifiCorp is holding
4 weekly or bi-weekly project status meetings with
5 Invenergy, during which Invenergy reports on the status
6 of the project, discusses critical issues that impact
7 schedule, and addresses the status of any recovery plans
8 as needed.

9 **Q. Who will operate and maintain Rock Creek I?**

10 A. Once construction is complete, Invenergy will provide
11 certain operations and maintenance services for the
12 first five years of operation. During the initial five-
13 year period, the Company will oversee Invenergy to
14 ensure compliance with all relevant agreements and may
15 self-perform any operations and maintenance activities
16 that are not included in the scope of Invenergy's work.

17 Beginning in the sixth year of operation, the
18 Company expects to assume responsibility for operations
19 and maintenance activities at Rock Creek I. The Company
20 has an experienced team of personnel that are qualified
21 to operate and maintain Rock Creek. The Company
22 currently owns, operates, and maintains an extensive
23 wind generation fleet that includes the High Plains,
24 McFadden Ridge, Foote Creek I, Seven Mile Hill I and II,
25 Ekola Flats, TB Flats I and II, and Dunlap projects in

1 this region of Wyoming, amounting to over 1,240 MW of
2 wind generation. Once construction is complete, the wind
3 turbine supplier will provide a warranty for Rock
4 Creek I for a period of time, during which any
5 significant repairs will be conducted by the wind
6 turbine supplier. In addition, the wind turbine supplier
7 or other third parties may be engaged from time to time
8 to help operate and maintain the project.

9 **Q. Has Invenergy obtained the necessary local permits for**
10 **the project?**

11 A. Yes. Carbon County issued a Conditional Use Permit for
12 the project on November 16, 2021, and Albany County
13 issued a Conditional Use Permit for the project on
14 January 18, 2022. In addition, the Industrial Siting
15 Council approved Invenergy's application for an
16 Industrial Siting Permit on April 15, 2022. A CPCN was
17 granted to PacifiCorp by the Wyoming Commission on
18 February 28, 2023. Invenergy has also been collaborating
19 with the U.S. Fish and Wildlife Service and the Wyoming
20 Game and Fish Department in developing and implementing
21 the project. Rock Creek I remains on-track for

1 completion and an in-service date of December 2024.⁶

2 **V. PROJECT COSTS**

3 **Q. What is the estimated capital cost for the project?**

4 A. The estimated capital costs for Rock Creek I is
 5 [REDACTED] on a total-Company basis, which equates
 6 to approximately [REDACTED] on an Idaho-allocated
 7 basis. Company witness Shelley E. McCoy's direct
 8 testimony discusses these costs for Idaho rates in more
 9 detail.

10 **Q. How did the Company estimate construction and operations
 11 and maintenance ("O&M") costs for the project?**

12 A. Project costs are based on negotiations with Invenergy.
 13 Interconnection costs were informed by the cost
 14 estimates included in the executed Large Generator
 15 Interconnection Agreement and interconnection study that
 16 informed the interconnection agreement.⁷ The Company's
 17 costs for engineering, legal, internal project

⁶ See, e.g., Carbon County Conditional Use Permit - Resolution No. 2021-41, Wyoming County Clerk, Book 1381, p. 50 (November 16, 2021); Albany County Conditional Use Permit - WEC-01-21 (January 18, 2022; to be recorded); Wyoming Department of Environmental Quality, Industrial Siting Council - Industrial Siting Permit - Docket No. DEQ/ISC 21-07 (April 15, 2022); Department of the Air Force, Siting and Mitigation Agreement for Rock Creek Wind Project in Rock River, WY (February 18, 2021); Department of Defense, Mitigation Response Team Letter of No Adverse Impact (February 24, 2021); Carbon County Road Use Agreement, approved by Carbon County Board of County Commissioners (November 28, 2022); Albany County Road Use Agreement, approved by the Albany County Board of County Commissioners (January 3, 2023); Wyoming Department of Transportation Road Use Agreement, approved and executed by the Transportation Commission of Wyoming and the Wyoming Department of Transportation Chief Engineer (January 10, 2023).

⁷ Confidential Exhibit No. 45 (RCI LGIA).

1 management, and allowance for funds used during
2 construction were estimated based on the Company's
3 experience with development and construction of past
4 wind facilities. O&M cost estimates are based on
5 negotiations with Invenergy and on the Company's
6 experience with wind resource O&M budgets and third-
7 party contracts for the Company's existing wind
8 facilities.

9 **Q. Will Rock Creek I qualify for federal PTCs?**

10 A. Yes. Under the Inflation Reduction Act ("IRA"), the
11 Company believes that Rock Creek I qualifies for
12 100 percent of the PTC available for projects placed
13 into service after 2021. For projects placed in service
14 after 2022, the IRA also provides for an additional
15 10 percent bonus credit if the project is located in an
16 "energy community." This definition includes census
17 tracts, or any directly adjoining census tracts, in
18 which (1) after 1999 a coal mine has closed, or (2) after
19 2009 a coal-fired electric generating unit has been
20 retired. With an expected in-service date of 2024 for
21 Rock Creek I the Company expects the project to qualify
22 for a PTC equal to 110 percent of the full credit
23 available. This credit will be returned to customers in
24 the Company's annual Energy Cost Adjustment Mechanism
25 ("ECAM") filing.

1 **Q. Did the Company assess the customer benefits provided by**
2 **the project?**

3 A. Yes. Company witness Burns provides a detailed economic
4 analysis of the significant customer benefits that
5 result from the acquisition of Rock Creek I in his
6 testimony.

7 **VI. CONCLUSION**

8 **Q. Please summarize your testimony.**

9 A. The Company successfully negotiated a BTA with Invenergy
10 that prudently manages risks, mitigates costs, allows
11 effective oversight, and ensures that Rock Creek I
12 remains on schedule. The project will provide
13 significant benefits to Idaho customers, and I recommend
14 the Commission approve the inclusion of Rock Creek I in
15 the Company's retail rates.

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

17 A. Yes.

Case No. PAC-E-24-04
Exhibit No. 40
Witness: Jeffrey Wagner

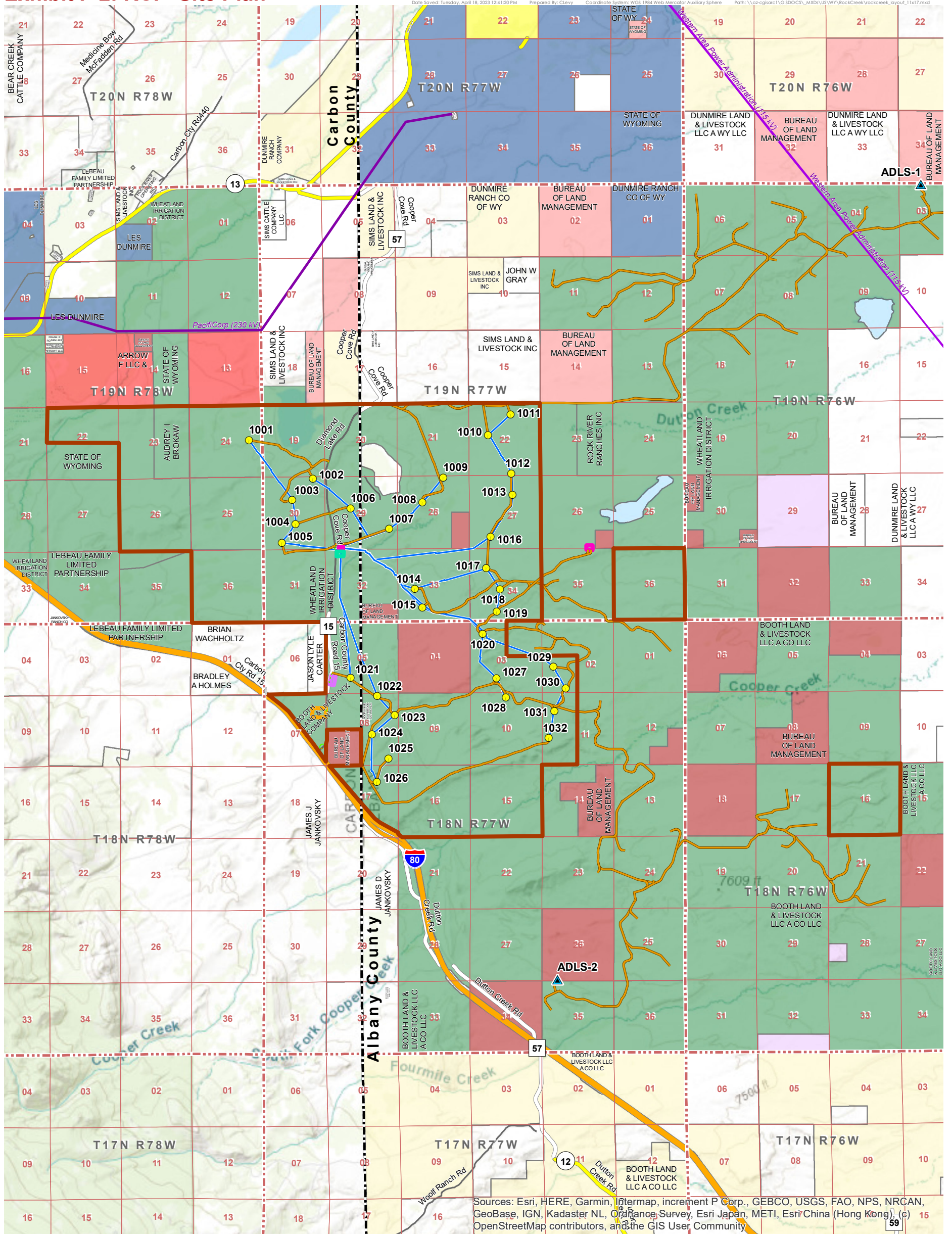
BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

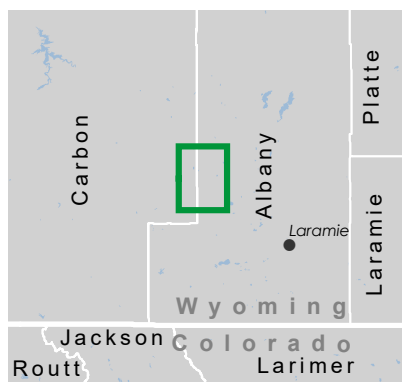
Exhibit Accompanying Direct Testimony of Jeffrey Wagner
Site Layout for Rock Creek

May 2024

Exhibit F-2: RCI - Site Plan

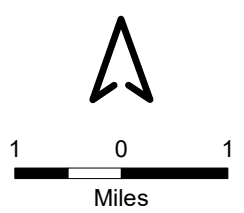


Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), OpenStreetMap contributors, and the GIS User Community



Legend

- | | | | | |
|---|---|---|--|--|
| <p>Layout</p> <ul style="list-style-type: none"> ● Turbine Location ▲ MET Tower — Collection — Access Road Laydown Yard Marshalling Yard O&M Building Project Substation | <p> Temporary Intersection Improvements</p> <p> Rock Creek I Project Boundary</p> | <p>Landowner Parcel Status</p> <ul style="list-style-type: none"> Not Participating Participating - Wind Agreement Participating - Transmission Agreement County Boundary | <p> Township/Range Boundary</p> <p> Section Line</p> <p>Road Classification</p> <ul style="list-style-type: none"> Interstate Highway US/State Route County Road Local Road | <p>Transmission Line</p> <ul style="list-style-type: none"> 100 - 161 kV 230 - 300 kV |
|---|---|---|--|--|



RCI - Project Site Plan

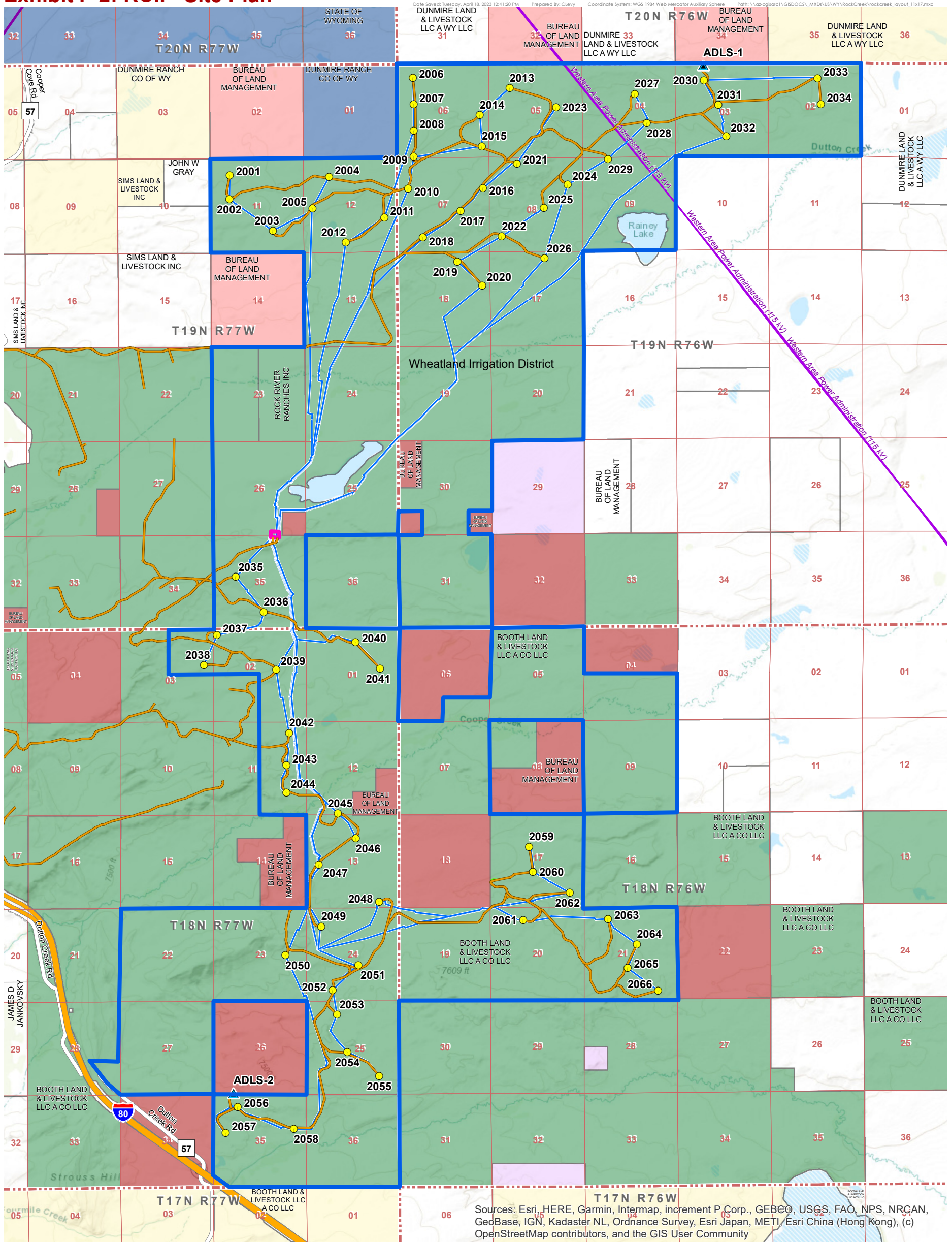
Rock Creek I Wind Energy Center | Albany & Carbon Counties, Wyoming

SUBJECT TO CHANGE AT SUBSTANTIAL COMPLETION

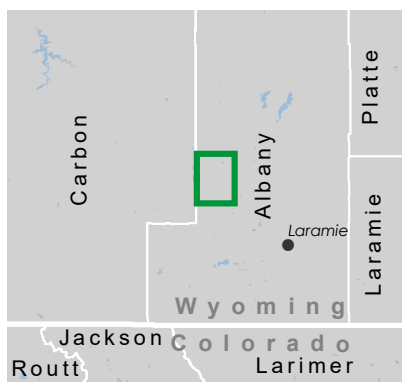
April 19, 2023



Exhibit F-2: RCII - Site Plan

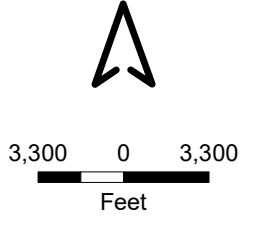


Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



Legend

Layout	Turbine Location	MET Tower	Rock Creek II Project Boundary	Road Classification	Interstate Highway
Collection	Access Road	Project Substation	Landowner Parcel Status	County Road	Local Road
Temporary Intersection Improvements	Participating - Wind Agreement	Participating - Transmission Agreement	Not participating	Transmission Line	100 - 161 kV
	Township/Range Boundary	Section Line		230 - 300 kV	



RCII - Project Site Plan

Rock Creek II Wind Energy Center | Albany & Carbon Counties, Wyoming

SUBJECT TO CHANGE AT SUBSTANTIAL COMPLETION

April 19, 2023



REDACTED

Case No. PAC-E-24-04

Exhibit No. 41

Witness: Jeffrey Wagner

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Jeffrey Wagner

Energy Yield Assessment for Rock Creek

May 2024

**THIS EXHIBIT IS CONFIDENTIAL IN ITS
ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**

REDACTED

Case No. PAC-E-24-04

Exhibit No. 42

Witness: Jeffrey Wagner

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Jeffrey Wagner

Rock Creek I BTA

May 2024

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Case No. PAC-E-24-04

Exhibit No. 43

Witness: Jeffrey Wagner

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Jeffrey Wagner

Rock Creek I O&M Management

May 2024

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Case No. PAC-E-24-04

Exhibit No. 44

Witness: Jeffrey Wagner

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Jeffrey Wagner

Rock Creek I Turbine Supply Agreement

May 2024

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Case No. PAC-E-24-04

Exhibit No. 45

Witness: Jeffrey Wagner

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Jeffrey Wagner

Rock Creek I LGIA

May 2024

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