PUBLIC *** denotes Highly Confidential ***

Issue: Conservation Issues Witness: Timothy N. Wilson Type of Exhibit: Surrebuttal Testimony Sponsoring Party: The Empire District FILED Electric Company April 18, 2019 Case No. EO-2019-0010 Data Center Missouri Public Date: March 5, 2019 Service Commission

 $\times_{/}$

Before the Public Service Commission of the State of Missouri

Surrebuttal Testimony

of

Timothy N. Wilson

March 5, 2019



Empire Exhibit No. 11P Date <u>4-8-19</u> Reporter <u>1</u> File No. EA-2019-0010

PUBLIC *** denotes Highly Confidential

TABLE OF CONTENTS OF TIMOTHY N. WILSON THE EMPIRE DISTRICT ELECTRIC COMPANY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION CASE NO. EO-2019-0010

TABLE OF CONTENTS

I.	INTRODUCTION
II.	THE MISSOURI PUBLIC SERVICE COMMISSON'S STATUTORY
JU	RISDICTION IN REGARD TO WILDLIFE AND CONSERVATION ISSUES2
III.	THE REQUIREMENTS OF THE PURCHASE AND SALE AGREEMENTS
RE	GARDING WILDLIFE AND CONSERVATION PERMITTING4
IV.	MDC'S RECOMMENDATIONS



SURREBUTTAL TESTIMONY OF TIMOTHY N. WILSON THE EMPIRE DISTRICT ELECTRIC COMPANY BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION CASE NO. EO-2019-0010

I I. <u>INTRODUCTION</u>

2

3 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

- 4 A. My name is Timothy N. Wilson and my business address is 602 South Joplin Avenue,
 5 Joplin, Missouri, 64801.
- 6 Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS
 7 PROCEEDING?
- 8 A. Yes. My professional background and qualifications are contained in that prior
 9 testimony.

10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11 I plan to respond to the rebuttal testimony of Missouri Department of Conservation A. 12 ("MDC") witnesses Jennifer Campbell, Dr. Janet Haslerig, and Dr. Kathryn Bulliner (the 13 "MDC Witnesses") who request that this Commission place limitations on the 14 construction and operation of the North Fork Ridge and Kings Point wind farms (the 15 "Missouri Wind Projects") to address wildlife and conservation interests within the 16 MDC's jurisdiction. My testimony addresses my understanding of the Missouri Public 17 Service Commission's jurisdiction over wildlife and environmental issues, and explains 18 the significant protections in place for wildlife and environmental interests that are

already addressed through the federal U.S. Fish and Wildlife permitting process in 1 2 addition to protections contained in the Purchase and Sale Agreements for these two 3 projects. I will also address some issues raised by the MDC Witnesses, which I do not 4 believe pose any concerns regarding either the construction or operation of the wind 5 farms. 6 7 II. THE MISSOURI PUBLIC SERVICE **COMMISSON'S STATUTORY** 8 JURISDICTION IN REGARD TO WILDLIFE AND CONSERVATION ISSUES

10 SERVICE COMMISSION'S STATUTORY JURISDICTION OVER THE 11 MISSOURI WIND PROJECTS.

PLEASE EXPLAIN YOUR UNDERSTANDING OF THE MISSOURI PUBLIC

9

Q.

A. As set forth in the Company's application in this docket, the Company has applied for
Certificates of Convenience and Necessity for the Missouri Wind Projects pursuant to
Section 393.170.1, RSMo, and Missouri Public Service Commission ("Commission")
Rules 4 CSR 240-2.060 and 4 CSR 240-3.105. RSMo 393.170 states that:

16
 1. No gas corporation, electrical corporation, water corporation or sewer
 corporation shall begin construction of a gas plant, electric plant, water system or
 sewer system, other than an energy generation unit that has a capacity of one
 megawatt or less, without first having obtained the permission and approval of the
 commission.

21 2. No such corporation shall exercise any right or privilege under any franchise 22 hereafter granted, or under any franchise heretofore granted but not heretofore 23 actually exercised, or the exercise of which shall have been suspended for more than one year, without first having obtained the permission and approval of the 24 25 commission. Before such certificate shall be issued a certified copy of the charter 26 of such corporation shall be filed in the office of the commission, together with a 27 verified statement of the president and secretary of the corporation, showing that 28 it has received the required consent of the proper municipal authorities.

3. The commission shall have the power to grant the permission and approval herein specified whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service. The commission may by its order impose such condition or conditions as it may deem reasonable and necessary. Unless exercised within a period of two years from the grant thereof, authority conferred by such certificate of convenience and necessity issued by the commission shall be null and void.

8 9

1

2

3

4

5

6

7

10 Q. HAS THE COMMISSION COMMONLY USED ANY PARTICLULAR
 11 STANDARD BY WHICH IT ASSESSES PROPOSED CERTIFICATES OF
 12 CONVENIENCE AND NECESSITY ("CCNS") UNDER THIS STATUTE?

Yes. As explained on page 3 of Staff Witness Dietrich's Rebuttal Testimony, the 13 Α. [4 Commission applies the so-called "Tartan Factors" in reviewing CCN applications. The 15 Tartan factors are as follows: (1) whether there is a need for the project in question; (2) 16 whether the utility proposing the project is qualified to own, operate, control and manage 17 the facilities and provide the proposed service; (3) whether the utility has the financial 18 ability; (4) whether the proposed projects are economically feasible, and; (5) whether the 19 proposed projects are in the public interest. There is no explicit requirement in the Tartan 20 Factors for consideration of wildlife issues. To my knowledge, the Commission statutes 21 and rules do not identify wildlife interests for Commission consideration. There are other 22 state agencies with that responsibility.

Q. HAS THE COMMISSION IMPOSED WILDLIFE CONDITIONS IN THE CONTEXT OF OTHER CCN APPLICATIONS?

A. Based on my understanding, the Commission has not itself imposed wildlife conditions
 on parties outside the context of proposed settlements. In other words, the only situations
 with which I am familiar where the Commission has ordered wildlife limitations on

1 projects, is in situations where the parties to a case have agreed among themselves to 2 those conditions. The Commission should not change course in this case and impose wildlife conditions other than those that are voluntarily agreed to by the parties. Further, 3 4 as Ms. Campbell points out in her testimony, it is the Missouri Department of 5 Conservation - not this Commission - which has "a constitutional mandate to conserve 6 fish, forest, and wildlife in the state." Campbell Rebuttal at p. 5. HAS THE MISSOURI DEPARTMENT OF CONSERVATION ("MDC") 7 Q. ENACTED ANY REGULATIONS TO PROTECT THE TYPES OF SPECIES 8 9 THAT IT RAISES CONCERNS ABOUT IN THIS DOCKET? 10 Not to my knowledge. Ms. Campbell's rebuttal testimony cites general regulations of the A. 11 MDC, but no regulations that specifically address the MDC's request in this docket 12 regarding the gray bat and the bald eagle. 13 14 III. THE REQUIREMENTS OF THE PURCHASE AND SALE AGREEMENTS 15 **REGARDING WILDLIFE AND CONSERVATION PERMITTING** DO THE PURCHASE AND SALE AGREEMENTS FOR THE MISSOURI WIND 16 Q. 17 PROJECTS ADDRESS ANY WILDLIFE CONCERNS IN ASSOCIATION WITH 18 THE DEVELOPMENT OF THE PROJECTS? 19 Although the purchase and sale agreement does not itself provide any protections for A. wildlife, it does require Liberty Utilities as the Purchaser to take steps for the protection 20 21 of wildlife that would otherwise be voluntary. *** 22

23

4

ł

IV. MDC'S RECOMMENDATIONS

5 Q. DO YOU AGREE WITH MS. CAMPBELL AND DR. HASLERIG THAT 6 FEDERAL LAWS THAT GOVERN BALD EAGLES ARE NOT SUFFICIENT IN 7 THE CASE OF THE MISSOURI WIND PROJECTS?

8 A. No, I do not. Ms. Campbell does not identify any issues with federal regulation of bald 9 eagles other than the fact that the U.S. Fish and Wildlife Service is reviewing and taking 10 action on an eagle conservation plan developed by the wind developer. There is nothing 11 suspect about that; it is no different than the work of this Commission, which reviews proposals by those entities that it regulates and acts upon them. The crux of Ms. 12 Campbell's concern with federal law is that it does not protect species that are only 13 14 regulated at the state level and that the MDC has no authority to impose limitations in the 15 wind farm siting process. Campbell Rebuttal at p. 8-9. In effect, Ms. Campbell is asking 16 that the Commission fill this regulatory gap, even though there is nothing in the CCN 17 statute which expressly authorizes the Commission to impose restrictions on wildlife in 18 the CCN process.

Dr. Haslerig asks that the Commission mandate an Eagle Conservation Plan as part of the Missouri Wind Projects. This condition is unnecessary, because as described below, the ECP is an obligation in the Purchase and Sale Agreement for the Missouri Wind Projects. Dr. Haslerig also argues that the Commission should impose other conditions such as post-construction monitoring of eagle fatality and disturbances, bald eagle next surveys,

2

ł

(

and various reporting requirements. These conditions will be required by the ECP and the Eagle Incidental Take Permit that the Company will be seeking.

3 Q. HAVE YOU REVIEWED DR. BULLINER'S TESTIMONY REGARDING 4 PROTECTION OF CERTAIN BAT SPECIES, AND IF SO, DO YOU HAVE ANY 5 RESPONSE TO IT?

6 Yes. I have reviewed Dr. Bulliner's rebuttal testimony and her recommendations relating A. 7 to a bat habitat plan. As Dr. Bulliner points out, neither the gray bat nor the tri-colored 8 bat is currently the subject of any federal protections and are not the subject of any state 9 specific requirements. Nonetheless, the MDC requests that the Commission impose 10 limitations on the Missouri Wind Projects in order to protect against potential harm to gray and tri-colored bats. I would first note that by Dr. Bullinar's own admission, "in 11 12 Missouri the population [of gray bats] is thought to be fairly stable due to cave gating at hibernacula and maternity locations." Bullinar Rebuttal at p. 15. From the Company's 13 14 perspective, we have been studying gray bats in the areas of the projects since early in 2018 and will continue to do so through 2019. These studies were undertaken under the 15 16 direction of the USFWS, and technical consultation with MDC. The information will be 17 used to develop the habitat conservation plans and incidental take permits as required to protect the covered species. We assume there will also be mitigation opportunities 18 19 presented during the discussions. However, the limitations need to be informed by the 20 completed studies. USFWS indicated our studies will be the best indicator of gray bat 21 activity in the project area. Dr. Bullinar admits "there have not been any studies showing 22 the impacts of wind turbines on gray bats". Bullinar Rebuttal at p. 23. describe what we 23 agree to do]

Q. ARE THERE ANY RECOMMENDATIONS FROM DR. BULLINAR WITH WHICH YOU DISAGREE?

3 A Yes. Dr. Bullinar expresses concern and recommends a required setback of one half mile 4 from known mist-net capture locations, acoustic locations and riparian corridors on Kings 5 Point. This recommendation is not appropriate as we do not have current research that the 6 suggested buffer distance is pertinent or required. On the other hand, the consequence of 7 this recommendation would result in several of the best producing turbines being 8 eliminated from consideration, which would lower the annual energy production for the 9 site and potentially increase construction costs, thus raising the levelized cost of energy 10 for the sites. Although the final site layouts are not complete we do know based upon 11 initial geotechnical work and the turbine siting criteria that the requirement of one half 12 mile would be detrimental to the project, especially considering there is not enough 13 information to suggest the buffer distance is pertinent.

Q. MDC WITNESS CAMPBELL REQUESTS THAT IN ADDITION TO THE
ABOVE-DESCRIBED RESTRICTION THAT THE COMMISSION IMPOSE
CERTAIN SETBACK REQUIREMENTS GOVERNING THE PLACEMENT OF
WIND TURBINES. DO YOU HAVE ANY RESPONSE TO HER REQUESTS?

A. Yes. Ms. Campbell asks the Commission to impose a setback of at least three miles
between the Missouri Wind Projects and all MDC Conservation Areas so that
recreational users of the MDC Conservation Areas do not experience "visual disruptions"
by having to view the wind turbines. Simply put, if the Commission were to impose this
three mile set back on the Missouri Wind Projects, it would mean that the _North Fork
Ridge and Kings Point projects would no longer be viable options and certainly fall well

short of the expected savings modeled and discussed in the Customer Savings Plan. This
 is the result of four primary MDC identified land areas on the sites.

3 Q. HAS EMPIRE ALREADY TAKEN STEPS TO BE MINDFUL OF 4 CONSERVATION AND WILDLIFE AREAS?

A. Yes. As directed by the USFWS Land-based Wind Energy Guidelines (cited by MDC
witness Campbell), wind planning recommends avoiding areas that concentrate wildlife
or provide migration corridors when siting wind projects. Beginning in the fall of 2017,
the Company has conducted 3 seasons of surveys that indicate no concentrated migration
corridors, major migratory bird stopover habitat, raptor flight pathways or concentration
areas within either project. In addition, the Company is actively working with MDC to
minimize, the extent economically possible, their concerns with respect to viewing areas.

12 Q. DOES MS. CAMPBELL RECOMMEND ANY OTHER CONDITIONS?

A. Yes. Ms. Campbell also asks that the Commission require Empire to conduct viewshed
 studies of the Missouri Wind Projects because "MDC suspects" that the presence of wind
 turbines could impact the public's use and enjoyment of certain prairie and conservation
 areas.

17

Q. HOW DO YOU RESPOND TO THAT PROPOSED CONDITION?

18 A. First, I would note that to my knowledge, the Commission has not required a viewshed
19 study in any other CCN case. I do not see any basis for treating these Wind Projects
20 differently.

Further, Ms. Campbell also expresses concern about turbine noise, vibrations, blinking lights, and shadow flicker. The Missouri Wind Projects will meet industry standards regarding turbine noise, as there are no turbine noise requirements imposed either by the

*** denotes Highly Confidential

1 State or the counties where the projects are located. The Federal Aviation Administration 2 does have requirements governing blinking lights, to which the Wind Projects will 3 adhere. I do not have any reason to believe that shadow flicker from the turbines would be an issue based on the proposed turbine locations that are one mile away from the MDC 4 5 Conservation Areas in question. In sum, I do not think there is a basis to warrant a 6 viewshed study. 7 DO YOU HAVE ANY RESPONSE TO MS. CAMPBELL'S RECOMMENDATION Q. 8 REQUIRED CONDUCT PRE AND POST THAT EMPIRE BE TO 9 CONSTRUCTION TRAFFIC STUDIES OF THE MDC CONSERVATION **AREAS NEAR THE MISSOURI WIND PROJECTS?** 10 11 Yes. This recommendation does not make sense to me, as there are very limited roads or A. parking in or near the sites of the Missouri Wind Projects. 12 MS. CAMPBELL ALSO RAISES CONCERN ABOUT IMPACTS ON HUNTING 13 Q. ON MDC CONSERVATION AREAS, AND THE POTENTIAL IMPACT ON 14 15 PRESCRIBED FIRES AND SMOKE INHIBITING THE MANAGEMENT OF TRANSMISSION LINES ASSOCIATED WITH THE MISSOURI WIND 16

17 **PROJECTS. WHAT IS YOUR RESPONSE?**

A. I am not aware of any reason why hunting on MDC Conservation Areas would be limited
or affected in any manner by the Missouri Wind Projects and would point out that Ms.
Campbell's testimony in this respect is entirely speculative. The same is true with her
concern about the potential impact of prescribed fires on MDC Conservation Areas
impacting transmission lines and operation of the wind turbines. Such smoke would have
no impact on the operation of the transmission lines, and of course any necessary

maintenance on such lines could be coordinated with MDC's prescribed burns. It is also
 the case that smoke would have no impact on the ability of the wind turbines to operate.
 For these reasons, I do not believe that either of these issues are of concern.

4 Q. DOES EMPIRE AGREE TO ANY OF DR. HASLERIG'S
5 RECOMMENDATIONS?

6 A. Yes. Empire is agreeable to maintaining a 1-mile setback from currently observed active 7 or inactive alternate eagle nests. In fact the decision was already made on January 4, 8 2019, per USFW guidance, to sacrifice the 4 turbine locations described in Figure 1 of 9 Dr. Haslerig's recommendations. In addition, there are several recommendations 10 presented by Dr.Haslerig that the Company will already be conducting with the USFWS 11 through the ECP. The ECP incorporates best management practices into the design and siting of the Project and includes avoidance and minimization measures to reduce the risk 12 13 to eagles during construction, operation and decommissioning. Post construction 14 monitoring and reporting are included in the ECP outside of the CCN process.

15 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

16 A. Yes.

{

AFFIDAVIT OF TIMOTHY N. WILSON

STATE OF MISSOURI)) ss COUNTY OF JASPER)

1

On the $2^{i\lambda}$ day of March, 2019, before me appeared Timothy N. Wilson, to me personally known, who, being by me first duly sworn, states that he is the Central Region Director of Electric Operations – Services of The Empire District Electric Company – Liberty Utilities Central and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.

Timothy N. Wilson Subscribed and sworn to before me this day of March, 2019. ANGELA M. CLOVEN Notary Public - Notary Seal State of Missouri Commissioned for Jasper County My Commission Expires: November 01, 2019 Commission Humber: 15262659 **Notary Public** Ô My commission expires:

