

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of the Application of PacifiCorp for a Certificate of Convenience and Necessity Authorizing Construction of the Lake Side Power Project.</p>	<p>Docket No. _____</p>
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DIRECT TESTIMONY OF EARL GJELDE

1 **Q. Please state your name and business address.**

2 A. Earl Gjelde. My business address is 790 Rose Acres Court, Loveland, CO 80537.

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4 **Q. What is your occupation?**

5 A. I am a founding member of and a principal in Summit Group International Ltd., Summit
6 Power NW LLC and Summit Vineyard, LLC. We specialize in the development of power plants
7 for others.

8

9 **Q. Please describe your educational background and experience.**

10 A. This information is included in Appendix A to my testimony.

11

12 **Q. On whose behalf are you appearing in this proceeding?**

13 A. I am appearing on behalf of Summit Vineyard, LLC in support of PacifiCorp's
14 application for a Certificate of Convenience and Necessity authorizing the construction of the
15 Lake Side power plant to be built at the Geneva site in Utah County.

16

17 **Q. Mr. Gjelde, would you please describe to us who Summit is.**

18 A. Beginning in 1989, Donald Hodel, Harry Helton and myself, acting together and
19 individually, have formed several companies that focus on specific projects and customers. The

1 entity which responded to and was awarded Pacificorp's Lake Side Project is Summit Power NW
2 LLC. As is our practice, we then formed a local entity, Summit Vineyard, LLC, to manage this
3 particular project. Summit Vineyard, LLC, uniquely includes the added expertise of Robert
4 Looper and Tom Cameron.

5

6 **Q. Could you please describe to us what Summit does.**

7 A. Summit is a private organization that focuses primarily on the successful development
8 and long term performance of electric power projects for others, namely electric utilities,
9 industrial customers, and private entities who want obtain the capability of a particular power
10 project, but rely on Summit's capabilities and experience to provide the completed project, with a
11 particular and specific focus on mitigating risks to the owner. This risk mitigation includes
12 warranties against certain financial, schedule and performance risks for many years beyond first
13 commercial operation of the project. Summit thus develops projects from first conception
14 through feasibility analysis, siting, permitting, financing, engineering, procurement, construction,
15 commissioning and long term maintenance. Financing upon successful delivery of the project is
16 the responsibility of the purchaser, sometimes with assistance from Summit. Summit
17 accomplishes this through its own resources and expertise and by aggregating the skills and
18 resources of others, including large companies, who are especially suited to providing the
19 required elements of service.

20

21 **Q. Could you provide a list of Summit power plant projects?**

22 A. Attached as Exhibit EG-1 is a list of specific natural gas fired power plant projects in the
23 United States that have been led by Summit during the recent past. With the exception of our
24 very first project, all of these projects came in on time and all were completed without cost
25 overruns to the Purchaser.

26

27 **Q. Could you please describe Summit's agreement with PacifiCorp for the Geneva site.**

28 A. Summit has contracted with Siemens Westinghouse Power Corporation (SWPC) as the

1 engineering, procurement, and construction (EPC) contractor for the PacifiCorp facility.
2 Through its contract with Summit, SWPC will provide the plant engineering, project
3 management, start up, and commissioning of the facility. In addition, SWPC will provide
4 PacifiCorp with a 12-year maintenance agreement on the facility after completion with options to
5 extend. This means that Siemens' financial stability and reliability back this project through first
6 commercial operation and for many years beyond. The SWPC witness, Mr. Steinebronn, can
7 better explain SWPC's background and the technical aspects of the plant. Once completed, the
8 facility will be owned and operated by PacifiCorp. As part of this project, Summit will enter
9 into an agreement, which will be submitted and approved in the Geneva bankruptcy proceeding,
10 whereby the Geneva estate will sell to Summit Vineyard, LLC, the property, associated water
11 rights, air emission credits, and easement rights necessary for completion and operation of the
12 Lake Side Project.

13

14 **Q. What is the status of the permits required for construction of the Lake Side Project?**

15 A. The permitting effort is being conducted to allow construction to begin as soon as
16 possible. Summit submitted its application for the Approval Order from the State of Utah
17 Department of Environmental Quality, Division of Air Quality (UDAQ) on May 11, 2004. It is
18 Summit's practice to await the award of a bid before submitting permit applications so as not to
19 burden a state's agencies with unnecessary efforts. Summit was awarded the bid by PacifiCorp
20 on May 10, 2004, and therefore, submitted its application on May 11, 2004. Based on the date
21 Summit filed its application and discussions with UDAQ, Summit anticipates receiving the
22 Approval Order as early as November 2004, but no later than February 2005. Therefore there
23 should be no problem beginning construction on a timely basis.

24

25 On February 19, 2004, the Vineyard Town Council approved the subdivision plat request from
26 Geneva Steel for the Lake Side power plant site. Pursuant to this approval, the actual building
27 permits will be issued upon approval of the project development plan (i.e., site plan approval),
28 which we anticipate to be completed by March 2005. Certain of the required development rights

1 are included in the Geneva land acquisition transaction. The permits and approvals are
2 anticipated well in advance of the planned commencement of construction.

3

4 **Q. Is Summit confident the project will be completed and operational in time for**
5 **meeting Pacifcorp load in the summer of 2007?**

6 A. The project proposed by Summit and accepted by Pacifcorp has been built many times
7 and is operational at multiple sites. This project is called a “reference plant” because of its
8 common features with these other plants. Summit has led the development and completion of
9 several of these plants with Siemens Westinghouse Power Corporation and other members of the
10 Summit team. We expect to have all the permits and local approvals complete so that
11 construction can begin soon enough to meet PacifiCorp’s in-service schedule..

12

13 **Q. Does this conclude your testimony?**

14 A. Yes, it does.