

133 Mr. Timothy J. Hemstreet's Supplemental Testimony outlines the
134 numerous cost and performance changes to the repowering projects, such as
135 changes in turbine type and additional foundation retrofit costs.⁴

136 In his response testimony, Mr. Peaco provides the Division's analysis on the
137 changes included in the Company's supplemental filing, including the effect on
138 power output and the estimated costs of the repowering projects.

139

140 **Q. Have the estimated costs of the repowering projects changed?**

141 A. Yes. In the Company's June 30, 2017 Application, the Company anticipated that
142 project costs would be \$1,130,000,000.⁵ The Company's supplemental filing
143 shows that total project costs as of February 1, 2018 are \$1,137,000,000.⁶ Mr.
144 Hemstreet describes the increase in projects costs in the Company's supplemental
145 filing compared to the costs in the Company's October 19, 2017 rebuttal filing:

146 Project costs have increased by \$17.6 million—or
147 approximately 1.6 percent—to \$1.10 billion for the
148 Company's base repowering scenario which
149 assumes transmission interconnection agreements
150 in Wyoming are not modified. The Company
151 continues to expect \$36 million in project upgrade
152 costs to allow the Wyoming facilities to deliver
153 additional energy under modified interconnection
154 agreements, for a total cost of \$1.137 billion.

155

156 The Division has previously called to the Commission's attention the
157 magnitude of this endeavor and the uncertainty of project costs in the face of

⁴ Supplemental Direct Testimony of Timothy J. Hemstreet, February 1, 2018, pp. 1-6.

⁵ Application for Approval of a Resource Decision to Repower Wind Facilities, June 20, 2017, p. 9.

⁶ Supplemental Direct Testimony of Timothy J. Hemstreet, February 1, 2018, p. 7, lines 145-150.

198 causes concern.¹⁴ There is little assurance that there will not be a disruption
199 or problem of some type with construction and installation of the new
200 equipment. If any of these projects are one day late, the federal PTC may
201 either be lost, or drop to 80 percent instead of 100 percent, increasing the risk
202 that the projects will be uneconomic for customers.¹⁵

203

204 • The Company's original due diligence in evaluating the estimated energy
205 output for the proposed repowering projects at several of the wind facilities
206 was lacking, based on only a single year of historical data. This is true for the
207 Glenrock I, Glenrock III, and the Rolling Hills facilities.¹⁶ While the
208 Company now states that it has been able to evaluate additional data at these
209 facilities, it is important to remember that the benefits of this case claimed by
210 the Company largely rest on the amount of energy produced by each wind
211 turbine generator and at each wind generating facility - amounts seemingly
212 supported by relatively little data.

213

214 • The Division also discovered that the Leaning Juniper and Goodnoe Hills
215 projects will require additional retrofits to strengthen the foundations in order
216 to withstand the larger blades and parts. This results in unplanned and
217 increased turbine installation costs. When asked about the foundation retrofit

¹⁴ Docket No. 20000-519-EA-17, Rebuttal Testimony of Timothy J. Hemstreet, November 2017, p. 20, lines 15-19.

¹⁵ Direct Testimony of Timothy J. Hemstreet, June 30, 2017, pp. 5-6, lines 103-121.

¹⁶ Supplemental Direct Testimony of Mr. Timothy J. Hemstreet, February 1, 2018, p. 4, lines 74-76.