

Rebuttal Testimony
Dean E. Schiro

State of Minnesota
Before the Office of Administrative Hearings
For the Minnesota Public Utilities Commission

*In the Matter of a Petition by Excelsior Energy Inc. for Approval of a Power
Purchase Agreement Under Minn. Stat. § 216B.1694, Determination of Least
Cost Technology, and Establishment of a Clean Energy Technology Minimum
Under Minn. Stat. § 216B.1693*

OAH Docket No. 12-2500-17260-2
PUC Docket No. E6472/M-05-1993

Transmission and Ancillary Services

October 10, 2006

1 **I. INTRODUCTION**

2
3 Q. PLEASE STATE YOUR NAME.

4 A. My name is Dean E. Schiro.

5
6 Q. DID YOU PREVIOUSLY PROVIDE DIRECT TESTIMONY IN THIS CASE?

7 A. Yes.

8
9 **II. PURPOSE**

10
11 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?

12 A. My Rebuttal Testimony responds to the Supplemental Testimony of Ms.
13 Renee Sass that provides additional information regarding a second site for
14 the Mesaba plant (the "East" site). My Rebuttal identifies additional
15 transmission and interconnection issues associated with the East site, as well
16 as updated information regarding transmission and interconnection issues
17 associated with the Mesaba 1 LLC's preferred West site.

18
19 **III. REBUTTAL TESTIMONY**

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21 Q. WHAT ADDITIONAL ISSUES HAVE YOU IDENTIFIED REGARDING TRANSMISSION
22 AND INCONNECTION OF THE MESABA PROJECT?

23 A. In reviewing Ms. Sass' September 5 testimony, I noticed that the MISO
24 interconnection request submitted by Mesaba 1 LLC for the East site does
25 not match the capacity levels established in the Mesaba 1 PPA or the
26 September 5 Supplemental Testimony.

1 Q. PLEASE EXPLAIN.

2 A. The MISO interconnection request for the East site (G477) is for 552 MW
3 (winter maximum), but the PPA is for 598 MW. Thus, the MISO request
4 does not match the PPA output discussed in Ms. Sass' September 5
5 Supplemental Testimony.

6
7 Q. IS THIS DISCREPENCY SIGNIFICANT?

8 A. Yes. MISO will only allow the plants to operate up to the approved
9 interconnection amount. Thus, as it stands, the difference in the
10 interconnection requested output and proposed PPA output results in 46
11 MWs that cannot be either delivered to Xcel Energy or accredited as capacity,
12 but is sought to be purchased by Xcel Energy through the Mesaba 1 PPA.

13
14 Q. CAN THIS DISCREPENCY BE REMEDIED?

15 A. If a MISO participant wishes to operate a resource above these levels, it must
16 submit a new generation interconnection request, triggering a new MISO
17 study before service can be granted. This difference in proposed output
18 could require additional interconnection facilities to be built which have not
19 been identified to date. That request would enter the queue behind other
20 projects and could trigger different or additional upgrades, and could result in
21 delays.

22
23 Q. DO YOU HAVE ANY OTHER ISSUES TO DISCUSS?

24 A. Yes. When evaluating this discrepancy for the East site, I sought to verify
25 that no similar discrepancy existed for Mesaba 1 LLC's preferred West site.
26 When doing so, I noticed that there is a 3-MW discrepancy for this site, in
27 that the MISO interconnection request for the West site (G519) is for 600

1 MW, while the PPA is for 603 MW. While smaller in magnitude, this
2 discrepancy raises similar issues to the East site.

3

4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5 A. Yes, it does.