

**BEFORE THE PUBLIC SERVICE COMMISSION
OF MARYLAND**

**IN THE MATTER OF THE APPLICATION OF
C.P. CRANE LLC FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING THE MODIFICATION OF THE
CHARLES P. CRANE GENERATING STATION IN
BALTIMORE COUNTY, MARYLAND**

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Case No. 9482

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PUBLIC VERSION

REBUTTAL TESTIMONY OF DENNIS C. CORN

ON BEHALF OF

C.P. CRANE LLC

March 18, 2019

Rebuttal Testimony of Dennis C. Corn

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Dennis C. Corn. My business address is 200 West Madison Street, Suite 3810, Chicago, IL 60606.

Q. WHAT IS YOUR CURRENT EMPLOYER AND POSITION?

A. I am Vice President – Development & Projects for Middle River Power, LLC. Middle River Power, LLC is the contracted asset manager for C.P. Crane LLC (“CP Crane”).

Q. WHAT ARE YOUR RESPONSIBILITIES ASSOCIATED WITH THE PROJECT?

A. I am responsible for overall project development, including management of the overall permitting process, negotiations on major commercial agreements that will provide the support for financing, and ultimately overseeing the construction of the Charles P. Crane Generating Station (“Crane Station”) Repowering Project (“Repowering Project” or “Project”).

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL BACKGROUND AND EXPERIENCE.

A. I graduated from the Georgia Institute of Technology in 1979 with a BS in Industrial Management. I have been in the power generation industry for almost 40 years and have extensive knowledge of energy markets, domestic and international power plant development, fuel supply and transportation agreements, and power purchase agreements. I have been involved in the development of coal, natural gas, geothermal, solar, wood pellet, and waste heat recovery generating facilities. I started working with Middle River Power as a consultant in February 2018 and joined the company in my present position in

1 September 2018. A statement of my educational background and professional
2 qualifications is attached to my rebuttal testimony at Exhibit DCC-1.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

4 A. No.

5 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

6 A. The purpose of my rebuttal testimony is to respond to the Direct Testimony of David C.
7 Smith on behalf of Baltimore Gas & Electric Company (“BGE”) and to explain why CP
8 Crane does not believe that the natural gas supply contract information in Confidential
9 Company Exhibit DCS-1 to Mr. Smith’s testimony should be included as part of the
10 conditions under which a Certificate of Public Convenience and Necessity (“CPCN”) for
11 the Repowering Project is granted.

12 **Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY OF DAVID C. SMITH AND**
13 **CONFIDENTIAL COMPANY EXHIBIT DCS-1 ON BEHALF OF BGE?**

14 A. Yes, I have.

15 **Q. DOES CP CRANE HAVE ANY CONCERNS REGARDING MR. SMITH’S**
16 **TESTIMONY?**

17 A. Yes.

18 **Q. PLEASE DESCRIBE CP CRANE’S CONCERNS.**

19 A. Mr. Smith recommends that the Commission include the details of a confidential agreement
20 between BGE and CP Crane as to how natural gas will be delivered to the facility as part
21 of the conditions under which a CPCN for the Repowering Project will be granted. The
22 details of a confidential natural gas service agreement between two private companies,
23 BGE and CP Crane, should not be included in the CPCN conditions.

1 **Q. DOES CP CRANE OBJECT TO BGE’S PROPOSED INCLUSION OF THE**
2 **CUSTOMER-SPECIFIC INFORMATION IN CONFIDENTIAL COMPANY**
3 **EXHIBIT DCS-1 AS CPCN CONDITIONS?**

4 **A.** Yes. Including the customer-specific information and protocols described in Confidential
5 Company Exhibit DCS-1 as CPCN conditions is inappropriate and unnecessary, and would
6 run counter to BGE’s assertion that it does not divulge customer-specific information,
7 including a customer’s service schedule, absent customer consent.¹

8 **Q. WHY IS INCLUDING THE CUSTOMER-SPECIFIC INFORMATION IN**
9 **CONFIDENTIAL COMPANY EXHIBIT DCS-1 AS CPCN CONDITIONS**
10 **UNNECESSARY?**

11 **A.** Mr. Smith provides no justification for BGE’s proposed inclusion of the customer-specific
12 information in Confidential Company Exhibit DCS-1 as CPCN conditions. Mr. Smith
13 testified that it is important that CP Crane adhere to the protocols in Confidential Company
14 Exhibit DCS-1 to allow BGE to maintain safe and reliable natural gas service to the
15 Company’s existing customers. As Mr. Smith acknowledges, however, CP Crane
16 representatives have already met with BGE representatives and agreed to adhere to the
17 understanding described in Confidential Company Exhibit DCS-1.² BGE does not explain
18 why the specific details of the parties’ agreement regarding the delivery of natural gas
19 should be made into CPCN conditions.

¹ See Exhibit DCC-2, BGE Response to CP Crane Data Request 1-2.

² D. Smith Direct Testimony at 5:7-9. As stated by Mr. Smith, BGE and CP Crane representatives “have discussed these conditions and protocols and CP Crane has agreed to an understanding with BGE that these conditions and protocols will be adhered to by the planned facility.”

1 **Q. WHY IS INCLUDING THE UNDERSTANDING DESCRIBED IN**
2 **CONFIDENTIAL COMPANY EXHIBIT DCS-1 AS CPCN CONDITIONS**
3 **INAPPROPRIATE?**

4 A. The understanding and protocols set forth in Confidential Exhibit DCS-1 comprise a to-
5 be-negotiated confidential natural gas service agreement between BGE and CP Crane
6 regarding the approved natural gas load, how the Project will communicate with BGE, how
7 natural gas will be supplied to the Project, and how the Project will operate to ensure the
8 existing infrastructure maintains adequate pressures and reliability for BGE's existing
9 natural gas customers. The details of this agreement are not relevant to any of the factors
10 considered by the Commission under Md. Code Ann., Pub. Util. § 7-207(e)(2) and are
11 outside the scope of the Commission's review. Furthermore, CP Crane is not aware of any
12 other CPCNs for natural gas-fired facilities that incorporate the details of the natural gas
13 service contract between the local distribution company and the electric generation
14 customer as CPCN conditions. CP Crane believes that the agreement between the parties,
15 as largely reflected in Confidential Company Exhibit DCS-1, should be memorialized
16 through a natural gas service agreement, or in an approved electric generation natural gas
17 tariff. It should not be shoehorned into the CPCN proceeding.

18 **Q. DOES BGE SERVE ANY OTHER ELECTRIC GENERATION CUSTOMERS?**

19 A. Yes. According to BGE, their natural gas distribution system currently serves five electric
20 generation facilities: Perryman Generating Station, Notch Cliff Generating Station,
21 Westport Power Plant, Gould Generating Station, and H.A. Wagner Generating Station.³

³ D. Smith Direct Testimony at 3:12-13; *see also* Exhibit DCC-2, BGE Response to CP Crane Data Request 1-1.

1 **Q. TO YOUR KNOWLEDGE, DO THE CPCNS ISSUED TO ANY OF THE FIVE**
2 **ELECTRIC GENERATION FACILITIES SERVED BY BGE CONTAIN**
3 **CONDITIONS DESCRIBING HOW BGE WILL SUPPLY NATURAL GAS TO**
4 **THOSE FACILITIES?**

5 A. No, I have reviewed the CPCN orders, if any, for these facilities and there are no conditions
6 regarding the approved load, delivery, or transportation of natural gas. Furthermore, BGE
7 was not a party in any of those proceedings and did not request licensing conditions
8 describing how BGE will supply natural gas to those facilities.⁴

9 **Q. DO YOU KNOW WHETHER BGE REQUIRES ANY OF THE FIVE ELECTRIC**
10 **GENERATION FACILITIES SERVED BY ITS NATURAL GAS DISTRIBUTION**
11 **SYSTEM TO ADHERE TO THE OPERATING PROTOCOLS DESCRIBED ON**
12 **CONFIDENTIAL COMPANY EXHIBIT DCS-1?**

13 A. No, I don't. BGE does not divulge customer-specific information, including a customer's
14 service schedule, absent customer consent,⁵ a fact that further demonstrates the
15 inappropriateness of BGE's proposal to include confidential customer-specific information
16 in the CPCN conditions.

17 **Q. HAS BGE DEVELOPED A SCHEDULE ELECTRIC GENERATION NATURAL**
18 **GAS TARIFF?**

19 A. BGE held a meeting with electric generation customers in April 2018 regarding the
20 development of a schedule electric generation natural gas tariff proposal. To my

⁴ See Exhibit DCC-2, BGE Response to CP Crane Data Request 1-3.

⁵ See Exhibit DCC-2, BGE Response to CP Crane Data Request 1-2.

1 knowledge, BGE has not initiated a proceeding before the Commission regarding this
2 proposal.

3 **Q. IF CONFIDENTIAL COMPANY EXHIBIT DCS-1 IS INCLUDED AS PART OF**
4 **THE CPCN CONDITIONS, WOULD THE PLANNED FACILITY BE SUBJECT**
5 **TO A FUTURE SCHEDULE ELECTRIC GENERATION NATURAL GAS**
6 **TARIFF?**

7 A. No. If the other electric generation facilities using BGE's natural gas distribution system
8 were moved to a schedule electric generation natural gas tariff, the Repowering Project
9 would remain subject to the understanding and protocols outlined in Confidential Company
10 Exhibit DCS-1. In this scenario, CP Crane would need to request a modification of its
11 CPCN in order to be subject to the same procedures and protocols as all other electric
12 generating facilities. Moreover, if the Commission were to approve an electric generation
13 natural gas tariff in the future, BGE envisions that the planned CP Crane facility may be
14 served under such tariff "as well as some or all of the conditions and protocols
15 recommended in Confidential Exhibit DCS-1."⁶

16 **Q. HAS BGE PROVIDED ANY JUSTIFICATION FOR THE DISPARATE**
17 **TREATMENT OF CP CRANE THAT WOULD OCCUR IF THE CUSTOMER-**
18 **SPECIFIC INFORMATION IN CONFIDENTIAL COMPANY EXHIBIT DCS-1**
19 **WAS INCLUDED IN THE CPCN CONDITIONS AND BGE LATER**
20 **IMPLEMENTED A SCHEDULE ELECTRIC GENERATION NATURAL GAS**
21 **TARIFF?**

⁶ See Exhibit DCC-2, BGE Response to CP Crane Data Request 3-1.

1 **A.** No. BGE has not provided any justification for the disparate treatment of CP Crane that
2 would result from inclusion of the information in Confidential Company Exhibit DCS-1 in
3 the CPCN conditions and the Commission's future approval of a schedule electric
4 generation natural gas tariff. BGE maintains that under a future schedule electric
5 generation natural gas tariff, CP Crane may remain subject to additional protocols outside
6 of the tariff that do not apply to other electric generation facilities served on BGE's natural
7 gas distribution system.⁷ This potential needless disparate treatment further demonstrates
8 the inappropriateness of the inclusion of Confidential Company Exhibit DCS-1 into the
9 CPCN conditions.

10 **Q. HAS BGE COMPLETED A NATURAL GAS LOAD STUDY FOR THE**
11 **REPOWERING PROJECT?**

12 **A.** Yes.

13 **Q. ARE THE PROTOCOLS DESCRIBED IN CONFIDENTIAL COMPANY**
14 **EXHIBIT DCS-1 CONSISTENT WITH THE RESULTS OF BGE'S NATURAL**
15 **GAS LOAD STUDY?**

16 **CONFIDENTIAL**

⁷ See Exhibit DCC-2, BGE Response to CP Crane Data Request 3-1.

⁸ See Confidential Exhibit DCC-3, BGE Confidential Response to CP Crane DR 2-1.

CONFIDENTIAL

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19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 **A. Yes.**

⁹ See Confidential Exhibit DCC-3, BGE Confidential Response to CP Crane Data Request 4-3.

¹⁰ See Confidential Exhibit DCC-3, BGE Confidential Response to CP Crane Data Request 4-2.

Dennis C. Corn

dcorn@mrpgenco.com

September 2018-Present: Middle River Power, LLC, Chicago, IL

- Vice President, Development & Projects: Responsible for overseeing the development of a 100MW Solar PV project in California and the CP Crane Repowering Project in Maryland. Responsible for assessing expansion/redevelopment opportunities at existing plant operations.

2002-2003 / 2006-2009 / 2011-2015 / December 2017-Present: C&A Energy Partners, Kingsport, TN - Consultant

- 2011-September 2018: Provided development services to Middle River Power, LLC on a 100MW Solar PV project in California and the CP Crane Repowering Project in Maryland. Provided consulting services to Rentech Nitrogen Partners, LP on i) ammonia/UREA project development, ii) M&A opportunities, iii) the development of a 15 MW waste heat recovery cogeneration project and iv) a multi-modal marine terminal facility. Supported private equity firm in the acquisition and development of two simple cycle power projects in Texas. Provided commercial contracts negotiations support (EPC, O&M, Maintenance Agreements) to the Research Triangle Institute for their Department of Energy funded large scale warm syngas clean-up technology demonstration project.
- 2006-2009: Provided development consulting services on a 32 MW geothermal power project and 24.5 mile transmission line in Nevada. Responsibilities include leading overall development effort, negotiating power purchase agreements, negotiations with the BLM on the license for the transmission line, overseeing permitting activities, and other major project agreements. Provided development consulting services to Rentech, Inc. for a coal/petcoke gasification to Fischer-Tropsch liquids project located in Mississippi. Provided commercial transactional support to EnergyCo, LLC on its joint venture with NRG Energy on a nominal 550MW natural gas fired combined cycle project at its Cedar Bayou Generation Station located near Houston, Texas. Also provided project development support for a cogeneration/peaker project in the Houston Ship Channel.
- 2002-2003: Provided consulting services to energy companies for due diligence activities associated with greenfield development or acquisition of existing projects in the domestic and international markets.

March 2009-November 2011 / March 2015-December 2017: Rentech, Inc., Los Angeles, CA/ Washington, DC

- March 2015-December 2017 Vice President, Projects: Responsible for development/execution/construction of all Rentech wood processing plants. Operations responsibility for the Company's two industrial wood pellet mill plants in Canada.
- 2011 Vice President, Business Development - USA Region: Responsible for development/execution/construction of biomass-to-power, biomass-to-liquids and fossil fuels-to-liquids initiatives.
- 2009-2010 Director, Project Development: Development lead for a coal/petcoke gasification to Fischer-Tropsch liquids project located in southern Mississippi. Responsibilities include leading overall development effort, overseeing permitting activities, and commercial lead on all major project agreements.

2003-2006: Eastman Gasification Services Company, Kingsport, TN - Business Development Director

- Responsibilities included negotiating technical services agreements to provide assistance to gasification facility owners and developers to achieve better designs, faster start-ups, and negotiating long-term operating and maintenance agreements.

1999-2002: FPL Energy, LLC, Houston, TX - Vice President, Development

- Responsible for overseeing development of FPL Energy's 1750MW natural gas-fired project near Dallas, Texas with June 2003 in-service date.
- Responsible for overseeing FPL Energy's investment in a joint venture with El Paso Energy in the development and construction of the Bastrop Energy Partners 550MW natural gas-fired project near Austin, Texas.
- Responsible for overseeing the finalization of development and construction of FPL Energy's Lamar Power Partners 1000MW natural gas-fired project located in Paris, Texas.

1998-1999: Calpine Corporation, Houston, TX - Manager, Business Development

- Responsible for projects in Texas and the Gulf Coast region. Project Development Manager for the Magic Valley Generating Station Project located in Edinburg, Texas.

1994-1998: Air Liquide America Corporation, Houston, TX

- Business Manager, Energy Market Group: Responsible for identification and project lead for cogeneration projects in North America at chemical, petro-chemical, refineries, pulp and paper, electronics and other industrial facilities.
- Project Manager, Botany Cogeneration Project - Project Manager for 300MW Botany Cogeneration Project in Sydney, Australia.

Dennis C. Corn
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1991-1994: Southern Electric International (Now known as Mirant), Atlanta, GA

- Project Director, Domestic Greenfield Project Team: Managed an 8-member, multi-discipline project team. Developed company's business plan for greenfield project development.

1979-1991: Florida Power & Light Company, Miami, FL

- 1990-1991 Florida High Speed Rail Project Manager: Provided project management, assessed project viability, and negotiated electrical service requirements for State's planned first high speed rail project.
- 1984-1990 Supervisor of Cogeneration Department: Supervisor, lead negotiator of 5 power purchase agreements and interconnection agreements.
- 1979-1984 Marketing and Energy Conservation/Service Planning: Held various positions in the Service Planning and Marketing and Energy Conservation Departments.

EDUCATION:

B.S., Industrial Management, Georgia Institute of Technology; Atlanta, GA., 1979

Case No. 9482
Baltimore Gas and Electric Co.
Response to Crane Data Request 1
Request Received: 03/06/2019
Response Date: 03/13/2019

Item No.: CraneDR01-01

Mr. Smith's Direct Testimony at 3:12-13 states that "BGE currently serves five electric generation facilities on its gas distribution system, some of which have multiple units." Please provide the names of these facilities.

RESPONSE:

The following electric generation facilities are served on BGE's gas distribution system:

- Perryman Generating Station
- Notch Cliff Generating Station
- Westport Power Plant
- Gould Street Generating Station
- H. A. Wagner Generating Station

Case No. 9482
Baltimore Gas and Electric Co.
Response to Crane Data Request 1
Request Received: 03/06/2019
Response Date: 03/13/2019

Item No.: CraneDR01-02

Mr. Smith's Direct Testimony at 3:12-13 states that "BGE currently serves five electric generation facilities on its gas distribution system, some of which have multiple units." Are any of the five electric generation facilities currently served by BGE's gas distribution system under BGE's Schedule IS? If any of the five electric generation facilities are under BGE's Schedule IS, are they also required to adhere to the same operating conditions and protocols that are being imposed on the C.P. Crane Repowering Project in Exhibit DCS-1?

RESPONSE:

Please note that BGE does not divulge customer-specific information, including a customer's service schedule, absent customer consent.

Case No. 9482
Baltimore Gas and Electric Co.
Response to Crane Data Request 1
Request Received: 03/06/2019
Response Date: 03/13/2019

Item No.: CraneDR01-03

Mr. Smith's Direct Testimony at 3:12-13 states that "BGE currently serves five electric generation facilities on its gas distribution system, some of which have multiple units." Do any of the CPCNs issued for these five facilities include the conditions and protocols regarding natural gas supply as CPCN licensing conditions?

RESPONSE:

BGE does not know of the CPCN licensing conditions, if any, for any of the five electric generation facilities currently served on its gas distribution system.

Case No. 9482
Baltimore Gas and Electric Co.
Response to Crane Data Request 3
Request Received: 03/08/2019
Response Date: 03/15/2019

Item No.: CraneDR03-01

Mr. Smith's testimony recommends that the Commission include the understanding set forth in CONFIDENTIAL Exhibit DCS-1 as part of the CPCN conditions. Would the conditions and protocols set forth in CONFIDENTIAL Exhibit DCS-1 continue to apply to CP Crane if the Commission were to approve a Schedule Electric Generation Tariff? Please explain why or why not.

RESPONSE:

Should an Electric Generation Tariff be approved by the Commission in the future, BGE expects that the planned CP Crane facility would be served under such tariff. Without an approved Electric Generation Tariff to compare against the conditions and protocols recommended in CONFIDENTIAL Exhibit DCS-1, however, it is not possible for BGE at this time to determine conclusively whether a hypothetical future approved Electric Generation Tariff would complement, supplement, or replace in whole or in part the conditions and protocols set forth in CONFIDENTIAL Exhibit DCS-1. For example, conditions or protocols specific to the CP Crane plant/location may not be included in a tariff meant to apply to multiple electric generation facilities served on BGE's gas distribution system. In that particular instance, BGE envisions a situation where CP Crane might be subject to the terms and conditions of the tariff, as well as some or all of the conditions and protocols recommended in CONFIDENTIAL Exhibit DCS-1. Any such matters would need to be addressed in the tariff approval process.

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Exhibit DCC-3

**EXHIBIT DESIGNATED
CONFIDENTIAL**