

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF ANGELINA SOLAR I, LLC AND ALGONQUIN POWER FUND (AMERICA) INC. FOR: (1) A DETERMINATION THAT ALGONQUIN POWER FUND (AMERICA) INC. HAS THE NECESSARY TECHNICAL, FINANCIAL, AND MANAGERIAL CAPABILITY TO ACQUIRE, OWN, AND OPERATE THE ANGELINA SOLAR PROJECT IN INDIANA; (2) ACCEPTANCE BY THE COMMISSION OF ALGONQUIN POWER FUND (AMERICA) INC.'S COMMITMENT, WITH ONE MINOR EXCEPTION, TO THE TERMS AND CONDITIONS IMPOSED ON ANGELINA SOLAR I, LLC IN THE COMMISSION'S MARCH 4, 2020 ORDER IN CAUSE NO. 45292; AND (3) APPROVAL, TO THE EXTENT REQUIRED, OF THE ACQUISITION, OWNERSHIP AND OPERATION OF ANGELINA SOLAR I, LLC BY ALGONQUIN POWER FUND (AMERICA) INC.

FILED
January 27, 2021
**INDIANA UTILITY
REGULATORY COMMISSION**

CAUSE NO. 45480

NOTICE OF CORRECTIONS

Angelina Solar I, LLC and Algonquin Power Fund (America) Inc. (collectively, the "Joint Petitioners"), by counsel, hereby submit corrections to the Direct Testimony of Michael Dilworth (Joint Petitioners' Exhibit 2), filed in this Cause on January 6, 2021. The corrections are shown in the attached redlines on Pages 7 and 8. Because the corrections also impact the pagination of Mr. Dilworth's testimony, the attached clean version includes all pages to his direct testimony. Joint Petitioners will offer the clean version, with all attachments, into evidence at the evidentiary hearing in this Cause.

Respectfully submitted,



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Counsel for Joint Petitioners

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served via electronic mail transmission or by depositing a copy thereof in the United States mail, first class postage prepaid, addressed to:

Karol Krohn
Indiana Office of Utility Consumer Counselor
PNC Center
115 West Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
kkrohn@oucc.in.gov
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Dated: January 27, 2021



Mark R. Alson

1 the completion of negotiation and due diligence and subject to the receipt of
2 certain approvals.

3 **Q. IS THIS COMMISSION'S APPROVAL OF THE RELIEF SOUGHT IN**
4 **THE JOINT PETITION ONE OF THOSE APPROVALS?**

5 A. Yes. Section 6(E) of the Declination Order provides that a third-party owner and
6 operator may succeed to Angelina's declination of jurisdiction, as long as the
7 Commission determines that the successor has the necessary technical, financial,
8 and managerial capability to own and operate Angelina, and the successor
9 satisfies the same terms and conditions imposed on Angelina in the Declination
10 Order. The relief sought in the Joint Petition is meant to satisfy these conditions.

11 **Q. WILL ALGONQUIN SEEK TO RECOVER ANY COSTS OF THE**
12 **PROPOSED TRANSACTION THROUGH RATES PAID BY INDIANA**
13 **RATEPAYERS?**

14 A. No.

15 **Q. WILL ALGONQUIN ACCEPT THE COMMITMENTS AND**
16 **CONDITIONS CONTAINED IN THE DECLINATION ORDER AND**
17 **AGREE TO ABIDE BY THEM?**

18 A. Yes, with one small requested exception. Algonquin requests that the
19 Commission expressly decline to exercise its jurisdiction with respect to the
20 requirement that Angelina's public utility records be kept within the State of
21 Indiana, or alternatively, approve the keeping of such records outside the State.
22 Of course, Algonquin would ensure that such books and records will be available

1 to the Commission and the Indiana Office of Utility Consumer Counselor
2 ("OUCC") in Indiana within a reasonable time should such be necessary in the
3 future. Should the Commission permit Angelina's public utility books and
4 records to be held outside the State of Indiana, and if it were to become necessary
5 for the OUCC to travel outside the State of Indiana to gain timely access to such
6 records, Joint Petitioners agree to timely reimburse the OUCC for its reasonable
7 and documented expenses for travel outside of the State of Indiana to review
8 Angelina's books and records.

9 **Q. UNDER THE OWNERSHIP OF ALGONQUIN, WILL ANGELINA**
10 **CONTINUE TO OPERATE AS AN INDIANA PUBLIC UTILITY,**
11 **INCLUDING EXERCISING ALL RIGHTS AND PRIVILEGES UNDER**
12 **INDIANA LAW?**

13 A. Yes, consistent with the Declination Order.

14 **ALGONQUIN'S FINANCIAL ABILITY**

15 **Q. WHAT IS THE FINANCIAL PROFILE OF APUC?**

16 A. As of September 30, 2020, APUC had approximately \$11.7 billion of total assets
17 and a market capitalization of approximately \$9 billion. Also, as of September 30,
18 2020, APUC had over \$3.1 billion total liquidity with an additional \$318.2
19 million of cash on hand. In addition, APUC has secured additional capital through
20 common equity offerings to partially finance renewable development growth
21 projects and for general corporate purposes. On July 17, 2020, APUC closed the
22 sale of approximately 57.5 million of its common shares at a price of C\$17.10 per

INTRODUCTION OF WITNESS AND TESTIMONY

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Michael Dilworth. My business address is 354 Davis Rd, Oakville,
3 ON, Canada L6J 2X1.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Liberty Utilities Canada Corp., a subsidiary of Algonquin
6 Power & Utilities Corp. ("APUC"), as Senior Vice President, Renewable
7 Generation – Solar.

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND.**

10 A. My educational background consists of a Bachelor of Commerce and a Masters of
11 Business Administration. My 25-year career has spanned the Solar industry
12 (since 2010) and, earlier in my career, financing and mergers & acquisitions as an
13 investment banker and a commercial banker, across a range of industries
14 including the power and utilities sector.

15 **Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR VICE PRESIDENT,**
16 **RENEWABLE GENERATION – SOLAR?**

17 A. In my current role as Senior Vice President, Renewable Generation – Solar, I am
18 responsible for the origination and execution of unregulated solar projects across
19 North America.

20 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN PROCEEDINGS BEFORE**
21 **THIS COMMISSION OR ANY OTHER REGULATORY BODY?**

1 A. No.

2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
3 **PROCEEDING?**

4 A. I will introduce APUC, including its organization, business model, electric asset
5 ownership and operating philosophy. In addition, I will describe the proposed
6 acquisition of Angelina Solar I, LLC ("Angelina") by Algonquin Power Fund
7 (America) Inc. ("Algonquin"), a wholly-owned indirect subsidiary of APUC (the
8 "Proposed Transaction"). Angelina is currently owned by Blue Planet Renewable
9 Energy, LLC ("Blue Planet"). Angelina is developing a 138 kV transmission line
10 approximately 700 feet in length (the "Gen-Tie Line"), which will electrically
11 connect to a solar energy generation facility to be located in Ohio (the "Angelina
12 Solar Project"). I will discuss additional details regarding the Proposed
13 Transaction, and establish that Algonquin will comply with the terms and
14 conditions of Section 6(E) of the Indiana Utility Regulatory Commission's
15 ("Commission") March 4, 2020 Order in Cause No. 45292, in which the
16 Commission partially declined to exercise jurisdiction over Angelina (the
17 "Declination Order"). Specifically, I will demonstrate that Algonquin has the
18 financial capability to own and operate the Angelina Solar Project in Indiana.

19 **Q. WHAT RELIEF ARE JOINT PETITIONERS ALGONQUIN AND**
20 **ANGELINA REQUESTING IN THIS PROCEEDING?**

21 A. Joint Petitioners respectfully request that the Commission find that Algonquin has
22 the necessary technical, managerial, and financial capabilities to acquire, own,

1 and operate the Angelina Solar Project in Indiana, specifically the Gen-Tie Line.
2 Further, to the extent required, Joint Petitioners request that the Commission
3 approve Algonquin to acquire, own and operate Angelina. Additionally, Joint
4 Petitioners request that the Commission accept Algonquin's commitment to
5 operate in Indiana pursuant to the terms and conditions contained in the
6 Declination Order, with one minor exception addressed below. Finally, Joint
7 Petitioners request that the Commission except from public disclosure any
8 confidential and proprietary information which may be filed in this case,
9 consistent with Indiana law. A copy of the Verified Joint Petition is Attachment
10 A to my testimony.

11 **Q. PLEASE DESCRIBE ATTACHMENT B TO YOUR TESTIMONY.**

12 A. Attachment B is the Proof of Publication of the filing of the Verified Petition.

OVERVIEW OF ALGONQUIN

13 **Q. PLEASE PROVIDE AN OVERVIEW OF ALGONQUIN.**

14 A. Founded in 1988, APUC is a diversified international generation, transmission
15 and distribution utility with, as of September 30, 2020, approximately \$11.7
16 billion of total assets and a market capitalization of approximately \$9 billion.
17 APUC's operations are organized across two primary business units consisting of
18 its regulated services group, which provides safe, reliable and cost effective rate-
19 regulated natural gas, water, and electricity generation, transmission and
20 distribution utility services to over 1 million customer connections largely in the
21 United States and Canada (the "Regulated Services Group"), and its renewable

1 energy group, a global leader in renewable energy through its portfolio of long-
2 term contracted wind, solar and hydroelectric generating facilities representing
3 approximately 1.5 GW of installed capacity and more than 1.6 GW of incremental
4 renewable energy capacity under construction (the "Renewable Energy Group").
5 Upon the successful completion of the Proposed Transaction, Angelina will reside
6 in APUC's Renewable Energy Group. APUC is a public company with listings on
7 both the Toronto Stock Exchange and the New York Stock Exchange.

8 **Q. PLEASE PROVIDE AN OVERVIEW OF ALGONQUIN'S LEADERSHIP**
9 **AND BUSINESS PHILOSOPHY.**

10 A. APUC's management team focuses its efforts on APUC's three strategic pillars:
11 growth, operational excellence, and sustainability. APUC seeks to maximize total
12 shareholder value through real per share growth in earnings and cash flows to
13 support a growing dividend and share price appreciation while seeking to
14 maintain a business risk profile consistent with its BBB flat investment grade
15 credit ratings. APUC strives to deliver continuing growth through an expanding
16 global pipeline of renewable energy, electric transmission development projects,
17 organic growth within its rate-regulated generation, distribution and transmission
18 businesses, and the pursuit of accretive acquisitions.

19 **Q. DOES ALGONQUIN OWN AND OPERATE GENERATION OR**
20 **TRANSMISSION ASSETS IN NORTH AMERICA?**

21 A. In addition to the table below showcasing APUC's Renewable Energy Group's
22 current operating projects, the Renewable Energy Group is expecting another 96

1 MW of solar and 955 MW of wind to become operational in 2021. The Regulated
2 Services Group is expecting another 600 MW of wind to become operational in
3 2021 as well.

Project	State / Province	Capacity (MW)	Asset Type
Sandy Ridge	Pennsylvania	50.0	Wind
Minonk	Illinois	200.0	Wind
Senate	Texas	150.0	Wind
Shady Oaks	Illinois	109.5	Wind
Odell	Minnesota	200.0	Wind
Sugar Creek	Illinois	202.0	Wind
Deerfield	Michigan	149.0	Wind
Morse	Saskatchewan	23.0	Wind
Red Lily	Saskatchewan	26.4	Wind
St. Leon I	Manitoba	104.0	Wind
St. Leon II	Manitoba	16.5	Wind
Amherst Island	Ontario	74.1	Wind
St. Damase	Quebec	23.0	Wind
Cornwall	Ontario	10.0	Solar
Bakersfield I	California	20.0	Solar
Bakersfield II	California	10.0	Solar
Great Bay I	Maryland	75.0	Solar
Great Bay II	Maryland	43.0	Solar

4 **Q. DOES APUC PROVIDE RETAIL ELECTRIC SERVICE TO**
5 **CUSTOMERS IN INDIANA?**

6 **A. No.**

1 **Q. DOES APUC PROVIDE RETAIL ELECTRIC SERVICE TO**
2 **CUSTOMERS IN OTHER STATES?**

3 A. Only Maine at this time.

4 **PROPOSED TRANSACTION**

5 **Q. PLEASE DESCRIBE YOUR UNDERSTANDING OF THE DECLINATION**
6 **ORDER.**

7 A. I have reviewed the Commission's March 4, 2020 Final Order in Cause No.
8 45292. I understand that, in such Declination Order, the Commission partially
9 declined to exercise its jurisdiction over Angelina and its development,
10 construction, operation and financing of the Gen-Tie Line. The Declination Order
11 describes that Angelina plans to install the Gen-Tie Line across the boundary
12 between the State of Ohio and the State of Indiana. Approximately 100 feet of the
13 Gen-Tie Line will be located in Ohio and approximately 600 feet of the Gen-Tie
14 Line will be located in Indiana.

15 **Q. PLEASE DESCRIBE THE PROPOSED TRANSACTION WITH REGARD**
16 **TO ANGELINA.**

17 A. Currently, Angelina is wholly owned by Blue Planet. As a result of arms-length
18 negotiations, on December 4, 2020, Blue Planet and Algonquin entered into an
19 Exclusivity Agreement, pursuant to which Algonquin expressed its intent to
20 purchase, and Blue Planet expressed its intent to sell, one-hundred percent of the
21 membership interests in Angelina for good and valuable consideration, subject to

1 the completion of negotiation and due diligence and subject to the receipt of
2 certain approvals.

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4 **THE JOINT PETITION ONE OF THOSE APPROVALS?**

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20 requirement that Angelina's public utility records be kept within the State of
21 Indiana, or alternatively, approve the keeping of such records outside the State.
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1 to the Commission and the Indiana Office of Utility Consumer Counselor
2 (“OUCC”) in Indiana within a reasonable time should such be necessary in the
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4 records to be held outside the State of Indiana, and if it were to become necessary
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18 2020, APUC had over \$3.1 billion total liquidity with an additional \$318.2
19 million of cash on hand. In addition, APUC has secured additional capital through
20 common equity offerings to partially finance renewable development growth
21 projects and for general corporate purposes. On July 17, 2020, APUC closed the
22 sale of approximately 57.5 million of its common shares at a price of C\$17.10 per

1 share to a syndicate of underwriters and an institutional investor for gross
2 proceeds of approximately \$724 million (C\$982.7 million). During the nine
3 months ended September 30, 2020, APUC issued approximately 8.7 million of its
4 common shares under its at-the-market equity program at an average price of
5 \$13.92 (C\$18.96) for gross proceeds of approximately \$120.6 million. APUC is
6 currently rated BBB (flat) by S&P, Fitch, and DBRS.

7 **Q. WHAT IS THE FINANCIAL PROFILE OF ALGONQUIN?**

8 A. As of September 30, 2020, APUC's Renewable Energy Group's bank lines
9 consisted of a \$500 million senior unsecured syndicated revolving credit facility
10 maturing on October 6, 2023 and a \$350 million letter of credit facility maturing
11 on June 30, 2021. As of September 30, 2020, the \$500 million credit facility had
12 no amounts drawn and had \$22.6 million in outstanding letters of credit. As at
13 September 30, 2020, the \$350 million letter of credit facility had \$267.1 million in
14 outstanding letters of credit. Cash on hand is not reported at the Renewable
15 Energy Group level, however, the previously mentioned \$318.2 million of cash on
16 hand at the APUC level is available for distribution. Algonquin Power Co., the
17 parent company for the United States and Canadian generating assets under
18 APUC's Renewable Energy Group and the indirect parent of Algonquin, holds an
19 issuer rating of BBB (flat) by S&P, DBRS, and Fitch along with a BBB (flat)
20 credit rating on senior unsecured debt by S&P and DBRS. As of September 30,
21 2020, total assets of Algonquin Power Co. were \$4.0 billion with \$192.4 million
22 of year-to-date revenues.

1 **Q. PLEASE PROVIDE AN OVERVIEW OF APUC'S PROJECT FINANCING**
2 **EXPERIENCE.**

3 A. APUC's project finance group is responsible for all project level financings of
4 both the Regulated Services Group and the Renewable Energy Group. Project
5 level finance in the forms of construction loans and tax equity financings have
6 been employed on Algonquin-owned projects since 2012. Algonquin Power Co.,
7 the indirect parent of Algonquin, has closed over \$4 billion of project finance on
8 thirteen projects since 2017. APUC's project finance group maintains an
9 extensive network of capital market relationship with leading lenders and
10 institutional investors.

11 **Q. HOW DOES ALGONQUIN TYPICALLY FINANCE ENERGY**
12 **PROJECTS?**

13 A. Development activities are funded using balance sheet cash reserves and liquidity.
14 Construction activities are typically funded by a third-party construction loan. The
15 construction loans are repaid using a combination of the APUC's cash reserves
16 and liquidity and investment funds from a third-party tax equity investor.

17 **Q. HOW DOES ALGONQUIN PLAN TO FINANCE THE PURCHASE OF**
18 **ANGELINA?**

19 A. Algonquin plans to finance the purchase of Angelina using balance sheet cash
20 reserves and other APUC liquidity.

21 **Q. HOW DOES ALGONQUIN PLAN TO FINANCE THE DEVELOPMENT**
22 **AND CONSTRUCTION OF THE GEN-TIE LINE?**

1 A. Algonquin plans to fund the development and construction of the Indiana portion
2 of the Angelina Solar Project, specifically the Gen-Tie Line, using available cash
3 reserves and liquidity. Any Gen-Tie Line construction payments due after the
4 project has commenced construction may be funded by a third-party construction
5 loan. The construction loan would likely be repaid using a combination of the
6 APUC's cash reserves and liquidity and investment funds from a third-party tax
7 equity investor.

8 **Q. HOW WILL ALGONQUIN FUND OPERATION OF THE GEN-TIE**
9 **LINE?**

10 A. Algonquin plans to fund the operation of Gen-Tie Line with project cash flows
11 and APUC's cash reserves and liquidity.

12 **CONCLUSION**

13 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY IN**
14 **THIS CAUSE?**

15 A. Yes, it does.

VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information and belief.

A handwritten signature in dark ink, appearing to read "M. Dilworth", is positioned above a horizontal line.

Michael Dilworth

ATTACHMENT A

Attachment A is the Verified Joint Petition and is not duplicated at this time.

ATTACHMENT B

Attachment B is the Proof of Publication, which will be late-filed.