

Decision No. C21-0395-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21A-0141E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2021 ELECTRIC RESOURCE PLAN AND CLEAN ENERGY PLAN.

**INTERIM DECISION ADDRESSING INFORMATION AND
MODELING TO BE PRESENTED IN
SUPPLEMENTAL DIRECT TESTIMONY**

Mailed Date: July 2, 2021
Adopted Date: June 23, 2021

I. BY THE COMMISSION

A. Statement

1. At the Commissioners' Weekly Meeting on May 19, 2021, the Commissioners expressed interest in potentially requiring Public Service Company of Colorado (Public Service or the Company) to file Supplemental Direct Testimony that would provide additional information and modeling results related to the Company's Application for Approval of its 2021 Electric Resource Plan and Clean Energy Plan (Application) filed March 31, 2021.

2. On May 24, 2021, Public Service filed a Notice Regarding Availability for Technical Conference in which it noted its willingness to participate in a technical conference with appropriate personnel to address the modeling performed for and included as part of its Application.

3. By Decision No. C21-0331-I issued June 7, 2021, the Commission scheduled the technical conference with Public Service that was held on June 18, 2021.

4. This Decision directs Public Service to submit Supplemental Direct Testimony addressing the information and modeling discussed below. The deadline for Public Service to file the Supplemental Direct Testimony is July 30, 2021.

B. Discussion

5. We conclude that it is necessary for Public Service to augment the record in this Proceeding with additional information and resource modeling prior to the intervening parties' opportunity to file Answer Testimony.¹

6. Public Service shall present in Supplemental Direct Testimony a re-dispatch of the Company's Preferred Plan² in 2030 with a modified 2030 peak demand profile reflecting an extreme heat event where a new system peak demand is assumed to result from temperatures at least eight degrees Fahrenheit above the highest temperature recorded to date in the Company's service territory. It is requested that the extreme heat event last a week and be geographically widespread to limit the availability of purchased power.

7. Public Service shall present in Supplemental Direct Testimony an EnCompass³ capacity expansion computer model run of the Company's Preferred Plan: (1) using an expected life of 20 years for new utility-owned natural gas-fired generation; and (2) not permitting purchased power agreements with gas-fired generation units to extend beyond 2050.

8. Public Service shall present in Supplemental Direct Testimony a thorough qualitative analysis of a high penetration of electric vehicles (EVs) by 2030, with a significant

¹ By a separate Decision adopted at our weekly meeting on June 23, 2021, the Commission established September 13, 2021 as the deadline for the filing of Answer Testimony.

² The "Preferred Plan" is described by Public Service witness Alice Jackson in Direct Testimony starting at page 16. The Preferred Plan is represented as "Portfolio SCC 7" throughout the Company's Application filing.

³ Public Service describes the EnCompass Model on page 242 of Volume 2 of its 2021 Electric Resource Plan and Clean Energy Plan.

portion of the “bi-directional” EVs interconnected to the Company’s system as a resource option.⁴ The EnCompass modeling may combine the analysis of bi-directional EVs during the summer peak with other impacts on hourly demands to assess the EnCompass model’s expansion plan selection of solar, wind, storage, and other resources. Public Service is encouraged to consider the strategic implications of integrating this potentially significant new dispatchable resource element at the feeder, local and regional level in its resource modeling.

9. Public Service shall present in Supplemental Direct Testimony an EnCompass capacity expansion computer model run of the Company’s Preferred Plan that captures the reserve margin and other benefits from a 400 MW increase in the bi-directional transfer capability between Public Service and “PacifiCorp East” starting in 2028, along the lines of the discussion presented in the Direct Testimony of Public Service witness Kevin Carden (*i.e.*, an approximately 4 percentage point reduction in the assumed reserve margin).⁵

10. Public Service shall present in Supplemental Direct Testimony an analysis of changes in expansion plan selections relative to the Company’s Preferred Plan caused: (1) by shifting the time of system peak two hours earlier; and (2) by shifting the time of system peak two hours later.

11. Public Service shall present in Supplemental Direct Testimony the eight resource plan portfolios presented in the Company’s 2021 Electric Resource Plan and Clean Energy Plan reoptimized after modifying certain operational input assumptions for the Comanche 3 unit that more closely reflect that unit’s actual historical experience, including its operations and

⁴ Public Service describes a “Roadmap Scenario” that includes assumed penetrations of EVs on pages 52 and 53 of Volume 2 of its 2021 Electric Resource Plan and Clean Energy Plan.

⁵ Direct Testimony of Kevin Cardin at pp. 22-23.

maintenance (O&M) expenses.⁶ Specifically, Public Service shall change the operational input assumptions for the Comanche 3 unit by modifying its outage rates and availability factors to averages over the period 2010 through 2020. In addition, Public Service shall change the O&M expense input assumptions for the Comanche 3 unit to reflect the average actual O&M expenses incurred from 2010 through 2020. The Company shall use the EnCompass modeling to identify periods of economic shutdown when the unit is not cost-effective relative to alternative resources (including potential unit retirement) and to assess the practice of dispatching the unit under defined seasonal parameters (*i.e.*, allowing the unit to operate only during the six months of highest demand—June through August and December through February—starting January 1, 2025).

12. Public Service shall present in Supplemental Direct Testimony an analysis of changes in the capacity expansion plan selections relative to the Company's Preferred Plan caused by an increase in the amount of assumed community solar gardens (CSG) on the Company's system by adding 50 MW more CSG capacity per year for four years starting in 2023 (up to 200 MW). Public Service also shall present in Supplemental Direct Testimony a separate analysis of changes in expansion plan selections relative to the Company's Preferred Plan caused by an increase in demand response of 50 MW per year for four years starting in 2023 (up to 200 MW).

13. Finally, Public Service shall present in Supplemental Direct Testimony an analysis of changes in the capacity expansion plan selections relative to the Company's Preferred Plan

⁶ Staff of the Colorado Public Utilities Commission filed an investigation report addressing the history and continuing operations of Comanche 3 in Proceeding No. 20I-0437E.

caused by doubling the rate of growth of the “High Gas Price” assumptions from 2026 through 2030.⁷

14. We expect that by requiring the filing of the Supplemental Direct Testimony according to a deadline that provides sufficient time for discovery and analysis, parties may raise their arguments and further develop the record in this Proceeding. We therefore direct Public Service to file the Supplemental Direct Testimony no later than July 30, 2021.

II. ORDER

A. It Is Ordered That:

1. Public Service Company of Colorado shall file Supplemental Direct Testimony no later than July 30, 2021, consistent with the discussion above.
2. This Decision is effective upon its Mailed Date.

⁷ Public Service defines “High Gas Prices” as levels increased by using twice the annual year-over-year growth rate of the Company’s base gas price forecast. Volume 2 of Public Service’s 2021 Electric Resource Plan and Clean Energy Plan, p. 260.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
June 23, 2021.**

(S E A L)



ATTEST: A TRUE COPY



Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners