

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-0589EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS COMBINED ELECTRIC AND NATURAL GAS DEMAND-SIDE MANAGEMENT AND BENEFICIAL ELECTRIFICATION PLAN FOR CALENDAR YEARS 2024-2026.

**INTERIM COMMISSION DECISION REQUIRING
THE FILING OF SUPPLEMENTAL DIRECT TESTIMONY
AND REFERRING THE MATTER TO AN
ADMINISTRATIVE LAW JUDGE**

Mailed Date: January 23, 2024
Adopted Date: January 17, 2024

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I. BY THE COMMISSION

A. Statement

1. Through this Decision, the Commission orders Public Service Company of Colorado (Public Service or Company) to file Supplemental Direct testimony concerning several

facets of its application, as discussed below, and refers the matter to an Administrative Law Judge.

B. Background

2. On December 1, 2023, Public Service filed an application to implement Demand-Side Management (DSM) and Beneficial Electrification (BE) programs for its electric and gas customers over the 2024-2026 period. The application was docketed as Proceeding No. 23A-0589EG.

3. The Company's application proposes to invest a total of \$496M over the three-year period (before incentives). The Company explains that the proposed expenditures are very close to the budgets for DSM and BE as recently approved in the Company's Strategic Issues proceeding (No. 22A-0309EG) including 20-25 percent flexibility allowances. The overall budget also includes approximately \$65M expenditure to support Demand Response (DR) programs.

C. Supplemental Direct Testimony

1. Demand Response

4. Referring to Hrg. Exh. 101, Table NCM-D-2, bottom row, please specify the annual incremental projected electric capacity and number of customers for each proposed demand response program of the Plan.

5. Please indicate the Company's level of confidence from the perspective of a system operator, including number of complying customers and capacity, in the projected electric demand response capacity indicated in NCM-D-2, if called upon in an emergency situation given the apparent lack of meaningful penalties applied to non-compliant customers.

6. Please indicate the Company's projected and actual load reduction (in MW) for no fewer than the last two DR events for each of the Company's existing DR programs. Additionally, provide quantification of the number of customers signed up for each DR program and the number who participated in the event, for each of the events identified above. Please also indicate the same set of projections and results during Storm Uri, if not otherwise provided.

2. On-Bill Financing (OBF)

7. Please provide the Company's position on feasibility and thoughts on other aspects of the following proposal: assume this Commission approves a \$10M funding facility, paid for via the DSMCA, to support an OBF program. IQ customers would be allowed to borrow for the term of the average measure life at the Company's long-term cost of debt set in the last rate case. Non-IQ customers would be allowed to borrow from the DSMCA funds at the Company's WACC as set in the last rate case. On-bill repayment would be made through a customer-specific DSMCA charge, with the accounting presented to the customer through a separate bill insert. For the purpose of this example, assume that any currently incentivized DSM measures would be eligible for repayment through this mechanism.

8. Please also respond to the potential for a third-party entity (*e.g.*, Colorado Clean Energy Fund) to administer the OBF program described above.

9. Please respond to the concept of an On-Bill Repayment (OBR) program whereby third-party funds would be used to capitalize loans available to all Xcel customers with funding through DSMCA or other sources to be used for management of the program as well as loan loss reserve, interest rate buydowns or other credit enhancement mechanisms to serve

disproportionately impacted or income qualified customers. The loan repayment would be facilitated by the company to the third-party entity providing the capital for the loan.

D. Referrals to an Administrative Law Judge

10. For procedural efficiency, we refer this proceeding to an Administrative Law Judge.

II. ORDER

A. It Is Ordered That:

1. The Company shall file Supplemental Direct Testimony in a 20-day time period from the mailed date of the Order.

2. The proceeding is referred to an Administrative Law Judge

3. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' DELIBERATIONS MEETING
January 17, 2024.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners