

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 DECISION
REQUIRING FILING ADDRESSING
ISSUES RELATED TO SETTLEMENT AGREEMENT**

Issue Date: June 27, 2024

I. STATEMENT, SUMMARY AND BACKGROUND

A. Statement and Summary

1. This Decision establishes a July 8, 2024 deadline by which Public Service Company of Colorado (“Public Service” or “the Company”) must make filing(s) addressing questions outlined herein relating to the Unopposed Comprehensive Settlement Agreement filed on May 30, 2024 (“Settlement Agreement” or “Agreement”). If the Company requires additional time to make the required filing(s), this Decision requires it to file a motion seeking additional time by July 8, 2024.

B. Procedural History¹

2. On December 1, 2023, Public Service initiated this Proceeding by filing the above-captioned Application.

¹ Only the procedural history necessary to understand this Decision is included.

3. Since then, the Commission referred this matter for disposition to an administrative law judge (“ALJ”), who has managed the forward movement of this Proceeding.² As a part of that, the ALJ established a May 30, 2024 deadline to file settlement agreements and a June 28, 2024 deadline to file exhibits; and set the matter for a two-day evidentiary hearing on such agreements for July 15 and 16, 2024.³

4. On May 30, 2024, the Company filed the Settlement Agreement along with an attachment in executable and non-executable format (“Attachment” or “Attachment to Settlement Agreement”).⁴

5. In addition to the Company, the following entities are parties to this Proceeding: the Colorado Public Utilities Commission Trial Staff (“Staff”); the Colorado Energy Office (“CEO”); the Colorado Office of the Utility Consumer Advocate (“UCA”); the City of Boulder (“Boulder”); Western Resource Advocates (“WRA”) Natural Resources Defense Council and the Sierra Club (collectively, “the Conservation Coalition”); Southwest Energy Efficiency Projects (“SWEEP”); the City and County of Denver (“Denver”); Energy Outreach Colorado (“EOC”); Energy Efficiency Business Coalition (“EEBC”); Clean Energy Economy for the Region (“CLEER”); Climax Molybdenum Company (“Climax”); Colorado Energy Consumers (“CEC”), and Iconergy LTD., (“Iconergy”).⁵

² Decision No. C24-0054-I (mailed January 23, 2024). *See e.g.* Decision Nos. R24-0086-I (mailed February 12, 2024); R24-0323-I (mailed May 9, 2024); R24-0330-I (mailed May 14, 2024); R24-0347-I (mailed May 23, 2024).

³ Decision No. R24-0347-I.

⁴ The Agreement is marked as Attachment A, Hearing Exhibit 143, while the attachments to the Agreement are marked as Appendices to Hearing Exhibit 143. Based on the required naming conventions, the Agreement should have been marked as Hearing Exhibit 143, with the Attachments marked as Hearing Exhibit 143, Attachment A and Executable Attachment A. As such, the ALJ refers to the Appendices as Attachments to the Settlement Agreement.

⁵ Decision No. R24-0086-1 at 23.

6. The Company, Staff, CEO, UCA, Boulder, WRA, the Conservation Coalition, SWEEP, Denver, EOC, EEBC, CLEER, Climax and CEC (“Settling Parties”) join the Settlement Agreement.⁶ Iconergy takes no position on the Agreement.⁷

II. FINDINGS AND DISCUSSION

7. After reviewing the Settlement Agreement and Attachment thereto, the ALJ identified numerous questions that will be very difficult for the Company and the Settling Parties to address through live testimony during the hearing. As these questions are critical to the ALJ’s evaluation of the Agreement, this Decision outlines those questions, and directs the Company to make a filing(s) addressing the questions, after conferring with the Settling Parties on the filing(s).

8. The Attachment to the Agreement is somewhat indecipherable. The Agreement states that “[t]o assist review of the program changes agreed to in this Settlement Agreement, the estimated impact of the changes to the Company’s program-level budgets and goals are reflected in [Attachment] 1 to this Settlement Agreement. The [Attachment] 1 is based on forecasted information and is provided for informational purposes.”⁸ The Attachment fails to meet this goal due to incomplete or potentially contradictory information.⁹ In addition, neither the Attachment nor the Agreement explain or identify the number of measures that the Company anticipates will be implemented for each program. This, coupled with other gaps in the record, means that it is not possible to determine the anticipated energy savings per measure, or the number of customers who may have access to the measures.

⁶ Settlement Agreement at 3.

⁷ *Id.*

⁸ *Id.* at 7.

⁹ For example, the Attachment includes negative budget amounts without a discernable explanation there or in the Agreement.

9. For the reasons discussed, the Company is directed to make a filing addressing the below items:

- Explain the Attachment to the Settlement Agreement, including the meaning of all the information in each column and row.
- To the extent not addressed through the answer to the above, explain all the revised total values in the Attachment to the Settlement Agreement (*i.e.*, gross values), including the budgets and energy savings targets in the Attachment.
- The Company must clearly and specifically identify any exhibits or attachments in the record that plainly indicate the Company's most recent "program-level budgets and goals"¹⁰ whose changes the Agreement and Attachment seek to reflect and the program-level budgets and goals that are not changed through the Agreement and Attachment (if any). Alternatively, the Company may instead identify all the program-level budgets and goals that the Settling Parties agreed to through the Settlement Agreement, including those that the Agreement changes and does not change (if any).¹¹
- To the extent not addressed through the answers to the above, provide the following information relating to the Attachment to the Settlement Agreement, at minimum. This may require an updated Attachment.¹²
 - o For each row and for each year represented, please indicate the projected number of measures to be installed, the average customer incentive per measure, the average energy and capacity savings per measure, the total utility cost, and the total energy and capacity savings projected.
 - o Please identify the unique types of air sealing and insulation measures by breaking these down into separate rows and include all the information for such measures per the row headers.
 - o Please add the total cost and savings values for all rows and columns.
 - o Please explain all differences to these total values and the values represented in the tables on pages 4, 5 and 6 of the Settlement Agreement.
 - o Please explain the allocation of dollars (and associated savings) between columns labeled Electric Budget, Gas EE Budget and BE Budget for all rows.

¹⁰ Settlement Agreement at 7.

¹¹ This means the Company must cite to a hearing exhibit or attachment thereto, with page numbers and line time (as applicable). This will facilitate a clear record wherein the Commission may more readily determine the Agreement's changes to the Company's proposals, as well as aspects of the Company's proposals that the Agreement does not change.

¹² If an updated attachment is provided, the Company must ensure that the revised attachment addresses all the items outlined herein, including an explanation of each row, column, and value.

- o Please list the assumptions used to calculate the above values. Please keep equations live so that it is possible to follow budget and savings logic.
- It appears that the budgets in the Agreement anticipate using some or all the budget flexibility contemplated in Proceeding No. 22A-0309EG (the 2022 Strategic Issues Proceeding). It is unclear whether the Company intends to use budget flexibility to increase spending to meet the established energy savings targets or to increase energy savings proportionate to the increased spending. The Company is directed to address this question.
- If the Company does not anticipate increased energy savings with increased spending (by using budget flexibility), the Company is directed to explain this answer, and why it cannot meet the established savings targets through the budget approved in the 2022 SI Proceeding without using budget flexibility.

10. The Company may address or supplement its answers to the above with Settlement Testimony that explains the additional information provided, any other information in the Attachment to the Settlement Agreement, and to address any other relevant issues. The Company must confer with the Settling Parties on its filing and state in the filing(s) the Settling Parties' positions on the matters addressed, including whether they agree that the provided information is consistent with the Settlement Agreement's terms.

11. The ALJ recognizes that it may be difficult for the Company to provide the required information and confer with the parties on its filing(s) within the time allotted, particularly considering the intervening holiday.¹³ As such, should the Company require more time to meet this Decision's requirements, the ALJ is willing to give the Company more time. Indeed, the ALJ finds that it is more important to get a clear and accurate record on the identified issues than to rush the Company's filing(s) such that it results in potentially inaccurate or incomplete information. If the Company requires more time, the July 15 and 16, 2024 hearing will be continued.¹⁴ The ALJ is

¹³ Due to circumstances outside of the ALJ's control, this Decision could not be issued earlier.

¹⁴ The deadline established for the filing(s) is the latest possible date that can accommodate the current hearing dates.

available to hold the hearing in late July or early August, which would not result in significant delay. As such, should the Company require more time to make the required filing, it must file a motion indicating this by the deadline established for the filing.¹⁵

12. The Company's filing must be identified with an exhibit number within its assigned exhibit number block and meet all other requirements for marking and filing exhibits in Attachment B to Decision No. R24-0086-I.

13. Because the Agreement is unopposed, the ALJ does not establish a deadline by which parties may file responsive exhibits, but parties may address the filing through live testimony during the hearing.

III. ORDER

A. It Is Ordered That:

1. On or by July 8, 2024, Public Service Company of Colorado ("Public Service") must make a filing(s) addressing the items discussed above. The filing(s) must indicate the parties' positions on it.

2. If the Company requires more time to make the required filing(s), it must file a motion on or by July 8, 2024 requesting additional time. The motion must identify proposed hearing dates to which the parties agree. If the Company files this motion, the July 8, 2024 deadline to make the required filing and the July 15 and 16, 2024 hearing will be automatically vacated, effective July 8, 2024. A new deadline and hearing dates will be established by a separate decision.

¹⁵ The motion must identify potential hearing dates cleared with the parties and a proposed deadline for the required filing(s). If necessary, the ALJ will communicate informally with the parties on the hearing dates.

3. This Decision is effective immediately.

(S E A L)



ATTEST: A TRUE COPY

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MELODY MIRBABA

Administrative Law Judge

A handwritten signature in cursive script that reads "Rebecca E. White".

Rebecca E. White,
Director