

Decision No. C25-0618

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0497E

IN THE MATTER OF ADVICE LETTER NO. 1970 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO UPDATE THE FIXED SOLAR REWARDS COMMUNITY SERVICE CREDIT, TO BECOME EFFECTIVE JANUARY 1, 2025.

**COMMISSION DECISION
DENYING EXCEPTIONS TO DECISION NO. R25-0501**

Issued Date: August 26, 2025

Adopted Date: August 13, 2025

I. BY THE COMMISSION

A. Statement

1. On November 15, 2024, Public Service Company of Colorado (“Public Service” or the “Company”) filed Advice Letter No. 1970 – Electric (“AL 1970”) with tariff sheets establishing the billing credits paid to subscribers of Community Solar Gardens (“CSGs”) effective January 1, 2025.

2. Through Decision No. R25-0501 (“Recommended Decision”), issued on July 7, 2025, Administrative Law Judge (“ALJ”) Robert I. Garvey determined that the tariff sheets filed with AL 1970 properly implement billing credits for CSGs for 2025 and authorized Public Service to file a compliance advice letter tariff filing to put into place the billing credits for prospective implementation.

3. On July 28, 2025, the Colorado Solar and Storage Association, the Solar Energy Industries Association, and the Coalition for Community Solar Access (collectively the “Solar Parties”) timely filed exceptions to the Recommended Decision.

4. This Decision denies the Solar Parties’ exceptions and upholds the Recommended Decision without modification.

B. Background

5. Public Service filed AL 1970 in accordance with Rule 3881(b) of the Commission’s Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (“CCR”) 723-3. Because AL 1970 is Public Service’s first for CSG billing credits since the Commission adopted new rules pursuant to House Bill (“HB”) 23-1137, the tariff sheets filed with AL 1970 include nearly all CSG billing credit-related sheets in the Company’s Colorado P.U.C. No. 8 - Electric Tariff (*i.e.*, Sheet Nos. 114 through 114H).

6. On December 31, 2025, by Decision No. C24-0953, the Commission suspended the effective date of the tariff sheets filed with AL 1970, allowed interventions to be filed until January 31, 2025, and referred the matter to an ALJ.

7. On May 29, 2025, the ALJ conducted a hearing on AL 1970. The parties to the proceeding include Public Service, the Solar Parties, and the Trial Staff of the Colorado Public Utilities Commission (“Staff”).

C. Decision No. R25-0501

8. The Recommended Decision concludes that the intervening parties do not take issue with the underlying methodology used by Public Service to determine the CSG billing credits. Instead, the ALJ identifies two issues in this case, both relating to aspects that Public Service determined were not required under HB 23-1137: (1) whether the tariff sheets filed

with AL 1970 should include vintages of fixed CSG billing credits prior to 2023, and (2) whether this tariff filing should include an adjustment mechanism for the CSG billing credits.

9. The Recommended Decision rejects the Solar Parties' request that the Commission order Public Service to establish vintages of bill credits for years prior to the enactment of HB 23-1137. The ALJ concludes that the Solar Parties failed to point to any language in HB 23-1137 or Decision No. C24-0447 that suggests a legislative intent for HB 23-1137 to be applied retroactively.

10. With respect to the adjustment mechanism sought by the Solar Parties to increase Public Service's fixed CSG bill credits over time, the Recommended Decision concludes that neither § 40-2-127, C.R.S., Rule 3881, nor Decision No. C24-0447 suggest that a fixed bill credit adjustment methodology be adopted for 2025 or for any other year per Public Service's annual advice letter filings. The ALJ therefore declines to impose such a requirement where none exists. The ALJ further concludes that the Solar Parties fail to establish in this Proceeding that their proposed an adjustment methodology linked to the Consumer Price Index ("CPI") would be just and reasonable.

D. Exceptions to Decision No. R25-0501

11. In their exceptions to the Recommended Decision, the Solar Parties argue that the Commission has an obligation to apply an adjustment mechanism to Public Service's fixed CSG bill credits and the most straight-forward fixed bill credit adjustment methodology is to apply a CPI adjustment to the value of the bill credits over time.

12. The exceptions largely reiterate the Solar Parties' positions as summarized in their closing Statement of Position ("SOP") filed on June 12, 2025. For instance, they contend that their proposed CPI adjustment mechanism is consistent with HB 23-1137 and that a CPI mechanism

best accounts for the potential change in value that a CSG subscriber electing a fixed bill credit will experience as the price of other consumer goods changes over time. They specifically argue that § 40-2-127(5)(b)(II)(E), C.R.S., requires the Commission to consider the change in value to CSG subscribers of the fixed bill credit over time through rate adjustments or other mechanisms. They go on to state that in Proceeding No. 24R-0133E implementing HB 23-1137, the Commission determined this instant Proceeding is the appropriate venue to implement the requirements of § 40-2-127(5)(b)(II)(E), C.R.S. They conclude that if a fixed bill credit adjustment mechanism is not adopted in this case, then the appropriate venue for addressing the statutory directive in § 40-2-127(5)(b)(II)(E), C.R.S., for prior years bill credits remains unclear, leaving interested parties without any clear forum in which to adjudicate a CSG fixed bill credit adjustment mechanism as required by HB 23-1137.

13. Finally, the Solar Parties ask the Commission to adopt an alternative bill credit adjustment mechanism that is consistent with § 40-2-127(5)(b), C.R.S., to avoid future litigation of this issue if their CPI adjustment mechanism is not adopted by the Commission's decision addressing their exceptions.

E. Response to Exceptions

14. In a joint response to the exceptions to the Recommended Decision, filed on August 4, 2025, Public Service and Staff ask the Commission to affirm the Recommended Decision in full. They argue that there is no requirement for Commission approval of an adjustment mechanism in this case, as correctly determined by the ALJ. They likewise explain that the annual advice letter filing process adopted by the Commission through the promulgation of its CSG Rules allows parties to address the "change in value provision" in § 40-2-127, C.R.S.

15. Public Service and Staff also argue that the Solar Parties' proposed CPI-based adjustment mechanism proposal does not follow the Commission's earlier guidance from Proceeding No. 24R-0133E because it does not result in an actual fixed credit; a fixed billing credit is not fixed if it changes every year based on the impacts of inflation. They add that the Solar Parties' proposal will not produce just and reasonable rates because it is not based on system costs. They further argue that the Solar Parties' proposal will lead to increased bill credits with a compounding impact over time.

16. Public Service and Staff also state in their response to the exceptions that the Commission should not "entertain a threat of future litigation" as justifying approval of the Solar Parties' "flawed rate escalation proposal." They further point to an alleged inconsistency in the Solar Parties' SOP, where they argue that "the door is open for their litigation of next year's bill credit adjustment to apply in 2026 and in future years."

17. Finally, Public Service and Staff suggest that the Commission avoid providing guidance on an alternative adjustment mechanism to be applied in future years, stating that all parties may seek to address a just and reasonable adjustment mechanism in future CSG bill credit mechanism proceedings.

F. Findings and Conclusions

18. We deny the Solar Parties' exceptions to the Recommended Decision. The Recommended Decision correctly implements the Commission's rules governing CSG billing credits in accordance with HB 23-1137. The ALJ fully supports his legal and factual findings and conclusions in the Recommended Decision, and we agree with the criticisms raised by Public Service and Staff to the Solar Parties' exceptions. We therefore adopt the Recommended Decision without modification.

19. This case has been effective and productive. The Solar Parties' proposed CPI-based adjustment mechanism has now been fully reviewed and litigated. The annual filing approach for CSG billing credits has been tested and clarified for Public Service. Moreover, the underlying calculation methodologies for CSG billing credits have been reaffirmed after the enactment of HB 23-1137. Consistent with Decision No. C24-0447, the Commission's review of CSG billing credits is a ratemaking exercise to ensure just and reasonable results based on Public Service's cost of service and the associated impacts on ratepayers at large. Public Service's AL 1970 was designed to put in place an initial vintage of fixed CSG bill credits to be made available in 2025. "Fresh" vintages of fixed CSG billing credits will be established in Public Service's advice letter tariff filing to be made no later than November 15, 2025, for the CSG billing credits applicable in 2026. Public Service's CSG tariff sheets will therefore record the levels of fixed billing credit amounts established for CSGs over time.¹

20. To ensure the prospective application and imposition of the CSG billing credits, Public Service shall file, no later than five business days after the Issued Date of this Decision, an advice letter compliance tariff filing with tariff sheets identical to the tariff sheets filed with AL 1970 except for effect on not less than two business days' notice.

¹ Decision No. C24-0447, issued June 25, 2024, Proceeding No. 24R-0133E, ¶¶ 18-22, pp. 6-7.

II. ORDER

A. The Commission Orders That:

1. The Exceptions to Decision No. R25-0501 filed jointly by the Colorado Solar and Storage Association, the Solar Energy Industries Association, and the Coalition for Community Solar Access on July 28, 2025, are denied, consistent with the discussion above.

2. The tariff sheets filed by Public Service Company of Colorado (“Public Service”) with Advice Letter No. 1970 – Electric on November 15, 2024, are permanently suspended and shall not be further amended.

3. Public Service shall file an advice letter compliance filing consistent with the findings, conclusions, and directives in this Recommended Decision. Public Service shall file the compliance tariff sheets in a separate proceeding and on not less than two business days’ notice. The advice letter and tariff sheets shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice.

4. The 20-day period provided for in § 40-6-114, C.R.S., within which to file an Application for Rehearing, Reargument, or Reconsideration, begins on the first day following the effective date of this Decision.

5. This Decision is effective immediately upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETINGS
August 13, 2025.**

(S E A L)



ATTEST: A TRUE COPY

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

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

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Commissioners