

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
TRI-STATE GENERATION AND)
TRANSMISSION ASSOCIATION, INC. FOR)
CERTIFICATES OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE BIG SANDY TO)
BADGER CREEK 230 KV TRANSMISSION) PROCEEDING NO. 22A-0085E
LINE AND THE BADGER CREEK)
SUBSTATION, AND THE BOONE TO)
HUCKLEBERRY 230 KV TRANSMISSION)
LINE AND THE HUCKLEBERRY)
SUBSTATION, AND FOR ASSOCIATED)
FINDINGS REGARDING AUDIBLE NOISE)
AND MAGNETIC FIELDS)
REASONABLENESS)

UNOPPOSED COMPREHENSIVE SETTLEMENT AGREEMENT

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SECTION 1 INTRODUCTION AND IDENTIFICATION OF PARTIES

- 1.1. **Settling Parties.** This Unopposed Comprehensive Settlement Agreement (“Settlement Agreement” or “Agreement”) is filed on behalf of Tri-State Generation and Transmission Association, Inc. (“Tri-State”), Trial Staff (“Staff”) of the Colorado Public Utilities Commission (“Commission”), Western Resource Advocates (“WRA”), the Office of the Utility Consumer Advocate (“UCA”), the Colorado Independent Energy Association (“CIEA”), and Interwest Energy Alliance (“Interwest”) (each a “Settling Party” and collectively the “Settling Parties”).
- 1.2. **Resolution of Tri-State’s Application.** This Settlement Agreement resolves, among the Settling Parties, all of the issues that were actually raised or that could have been raised with respect to Tri-State’s Application (“Application”) for Certificates of Public Convenience and Necessity (“CPCN”) for the Big Sandy – Badger Creek 230 kV Transmission Line, the Badger Creek Switching Station, the Boone – Huckleberry 230 kV Transmission Line, and the Huckleberry Switching Station (each a “Project” and collectively the “Projects”), and specific findings with respect to the reasonableness of audible noise and magnetic fields associated with each Project (the “Reasonableness Findings”).
- 1.3. As more specifically described below, each of the Settling Parties agrees that the compromise reached in this Settlement Agreement constitutes a just and reasonable resolution of the Application and requests, consistent with the Motion accompanying this Settlement Agreement, that the Commission issue a decision under Commission Rule 1408 adopting the Settlement Agreement

in full, issuing the CPCNs for the Projects, and making the Reasonableness Findings.

SECTION 2 RECITALS

- 2.1. In March 2021, Tri-State proposed a new task force to be formed within the Colorado Coordinated Planning Group (“CCPG”) to discuss and propose alternatives to address needs associated with Tri-State’s Responsible Energy Plan. The Responsible Energy Plan Task Force (“REPTF”) was established by CCPG and held its first meeting on April 12, 2021.
- 2.2. The REPTF met seven times between April and September 2021. Participants in the REPTF included representatives of all of the Settling Parties, as well as a number of other interested parties. Participants in the REPTF were able to propose alternatives for study by the REPTF. Tri-State acted as the facilitator in the study effort by both conducting and presenting the studies and their results. The study scope and all alternatives, sensitivities and scenario studies were agreed to by the REPTF participants.
- 2.3. The REPTF ultimately produced the REPTF Study Report (The “REPTF Report”), which was finalized by the REPTF on September 16, 2021, and approved by the CCPG on December 16, 2021. The REPTF Report analyzed the ability of 14 different transmission alternatives to: (1) accommodate at least 400 MW of new generation in eastern Colorado, (2) provide connectivity across Tri-State’s four-state service area, (3) improve transmission system reliability in the Lamar area, and (4) mitigate generation curtailment in eastern Colorado under 230 kV prior outage conditions.

- 2.4. On February 18, 2021, Tri-State submitted to the Commission its Application, including Direct Testimony and Attachments, requesting issuance of CPCNs for the Projects and the Reasonableness Findings. The Projects described in Tri-State's Application were identified by the REPTF and were included in the REPTF Report.
- 2.5. On May 25, 2022, certain parties filed answer testimony.
- 2.6. On June 15, 2022 Tri-State filed rebuttal testimony.

SECTION 3 SETTLEMENT TERMS

- 3.1. **Application Approvals.** The Settling Parties agree that Tri-State's Application should be approved pursuant to C.R.S. § 40-5-101 and Commission Rule 3206. Specifically, the Settling Parties agree that:
 - 3.1.1. The CPCNs requested in the Application meet the requirements of C.R.S. § 40-5-101(1)(a) and Commission Rule 3206; are in the public interest; and should be granted; and
 - 3.1.2. The Commission should make the specific Reasonableness Findings described in the Application regarding audible noise and magnetic fields.
- 3.2. **Audible Noise and Magnetic Fields.** Tri-State agrees and stipulates as follows:
 - 3.2.1. Tri-State's modeling of audible noise and magnetic fields for the Boone – Huckleberry, Big Sandy – Badger Creek, and Burlington – Big Sandy transmission lines used a conductor minimum height of 24.9 feet and assumed that transmission structures were generally

located at or near the center of the right-of-way as further described in the Direct Testimony and Attachments of Tri-State witness Robert E. Schaerer and Section 3.2.6 below.

- 3.2.2. Although transmission pole heights will vary based on a number of factors including terrain and crossings, Tri-State will construct the transmission lines associated with the Project in such a way that no conductor is installed below the minimum conductor height described in Mr. Schaerer's Direct Testimony and Attachments.
- 3.2.3. Tri-State will construct the H-frame and dead-end structures described in the Direct Testimony and Attachments of Tri-State witness Robert E. Schaerer within the specifications described by Mr. Schaerer.
- 3.2.4. Tri-State will construct the substation components described in the Direct Testimony and Attachments of Tri-State witness Robert E. Schaerer within the specifications described by Mr. Schaerer.
- 3.2.5. For the transmission-line Projects, Tri-State will use the conductor types described in the Direct Testimony and Attachments of Tri-State witness Robert E. Schaerer. Namely, Tri-State will use 1272 kcmil ACSR Bittern conductor for the Boone – Huckleberry and Big Sandy – Badger Creek transmission lines; and 954 kcmil ACSR Rail conductor for the Burlington – Big Sandy transmission line.
- 3.2.6. As described in the Direct Testimony and Attachments of Tri-State witness Robert E. Schaerer:

3.2.6.1. Tri-State will locate the Boone – Huckleberry and Big Sandy – Badger Creek transmission lines within a right of way that is at least 150 feet wide.

3.2.6.2. The existing Burlington – Big Sandy transmission line is located within a 100-foot wide right of way that will not be modified by this Application.

3.2.6.3. Each transmission line will generally be located in the center of the applicable right of way.

3.3. **Periodic Updates.** Until such time as the Projects are either energized or suspended indefinitely, Tri-State agrees to provide periodic updates on the Projects as follows:

3.3.1. Starting on November 1, 2022, Tri-State will file into this proceeding twice each year an updated project schedule (the “Project Schedule”) in the form of **Confidential Attachment 1** hereto. The Parties agree that the Project Schedule contains sensitive commercial and proprietary information and should be afforded confidential treatment under the Commission’s rules.

3.3.2. Tri-State will, in its subsequent annual reports filed pursuant to Commission Rule 3206(d), include a cost update that, at minimum, includes updated budget information for land, substation, and transmission line components of the Projects.

3.3.3. Tri-State will meet with Staff, UCA, and WRA on a twice-a-year basis to discuss the information provided under sections 3.3.1 and 3.3.2.

Tri-State, Staff, UCA, and WRA agree to work in good faith to determine the appropriate time and place for such meetings. Tri-State will report on such meetings to the CCPG; provided, however, that Tri-State reserves its right to withhold confidential information protected under the Commission's confidentiality rules.

3.4. **Identification of Minor Incremental Improvements.** Tri-State agrees to conduct a study (the "Incremental Improvements Study") to identify specific additional incremental transmission system improvements that were identified in the REPTF studies by Tri-State as incremental upgrades to the existing 115 kV system in eastern Colorado discussed by Tri-State witness Mr. Hubbard that could increase the overall injection capability of Tri-State's eastern Colorado transmission system "by over 700 MW."¹ The Incremental Improvements Study will be based on Alternative 14 in the REPTF Report and use its assumptions regarding the location of new generation facilities. The Incremental Improvements Study will seek to identify and estimate the cost of low-cost improvements that will increase the injection capacity of the eastern Colorado transmission system.

3.4.1. Tri-State will conduct the Incremental Improvements Study by August 15, 2022, with the goals of enabling developers to provide bids that appropriately reflect the potential increased injection capacity and informing the transmission screen that is part of Tri-State's 2020 Electric Resource Plan bid evaluation process. Tri-

¹ Hubbard Rebuttal at 16.

State will provide the results of the Incremental Improvements Study to the Settling Parties and will meet with the Settling Parties to discuss the study results.

3.4.2. Tri-State will work in good faith with the Settling Parties to identify, based on the results of the Incremental Improvements Study, additional low-cost transmission improvements that would (a) be reasonable and prudent for Tri-State to construct, (b) increase the overall injection capability of Tri-State's eastern Colorado transmission system, and (c) add value to the Projects (the "Transmission Improvements"). To the extent such Transmission Improvements are identified, Tri-State agrees to make an appropriate regulatory filing with the Commission by September 10, 2022, seeking a determination as to whether the Transmission Improvements are in the ordinary course of business under the Commission's rules.

3.5. **Federal Funding.** Tri-State agrees to continue to monitor and, as appropriate, apply for federal funding that may become available to support the Projects. Tri-State agrees to hold one stakeholder meeting with interested Settling Parties to discuss potential opportunities for federal funding prior to December 1, 2022.

3.6. **Project Timing.** Tri-State will identify in its 2022 Definitive Interconnection System Impact Study ("DISIS") Phase 1 report whether an interconnection request(s) project submitted to Tri-State requires either the Burlington – Big

Sandy transmission line upgrades or the Big Sandy – Badger Creek transmission line segment to achieve operation. If a project is so identified, Tri-State agrees, if requested by the developer, to use reasonable efforts to advance the construction of the project under the terms set forth in Section 11.2.3 of Tri-State's Large Generator Interconnection Procedures.

- 3.7. **Market Participation.** Tri-State agrees that participation in an organized market is central to meeting Tri-State's goals related to greenhouse-gas emission reductions, a clean energy resource portfolio, reducing wholesale rates and maintaining reliability. The parties acknowledge that because Tri-State is not a balancing authority, Tri-State's decision to join one or more organized markets with respect to its Western Interconnection facilities will be informed by the decisions of the balancing authorities in which its facilities are located. Tri-State further agrees it is required to comply with applicable requirements of Colorado Senate Bill 21-072.

SECTION 4 GENERAL TERMS AND CONDITIONS

- 4.1. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement by any Settling Party that any principle or methodology contained within or used to reach this Settlement

- Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.
- 4.2. The Settling Parties agree the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest and should be approved and authorized by the Commission.
- 4.3. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.
- 4.4. The Settling Parties agree to support, or not oppose, all aspects of the Settlement Agreement embodied in this document, including in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement Agreement in any proceeding other than one

- necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.
- 4.5. The Settling Parties do not believe any waiver or variance of Commission Rules is required to effectuate this Settlement Agreement but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules, if necessary, to permit all provisions of this Settlement Agreement to be approved, carried out, and effectuated.
- 4.6. This Settlement Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties that are not set forth in this Settlement Agreement. This Settlement Agreement may be modified by the Settling Parties, subject to Commission approval, only if the modification is agreed to by all Settling Parties in writing.
- 4.7. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Settlement Agreement, this Settlement Agreement shall be null and void and of no effect in this or any other proceeding.

- 4.8. There shall be no legal presumption that any specific Settling Party was the drafter of this Settlement Agreement. All Settling Parties have had the opportunity to participate in the drafting of this Settlement Agreement and the term sheet upon which it was based.
- 4.9. This Settlement Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Settlement Agreement. This Settlement Agreement may be executed and delivered electronically, and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as evidence of the execution and delivery of this Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

IN WITNESS WHEREOF, the Settling Parties have executed this UNOPPOSED COMPREHENSIVE SETTLEMENT AGREEMENT as of this 1st day of July, 2022.

[Signature Pages Follow]

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