

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23M-0466EG

IN THE MATTER OF THE COMMISSION'S EXAMINATION OF THIRD-PARTY PROVISION OF GAS DEMAND RESPONSE SERVICES, VIRTUAL POWER PLANTS, AND NEIGHBORHOOD ELECTRIFICATION IN PUBLIC SERVICE COMPANY OF COLORADO'S ELECTRIC AND NATURAL GAS SERVICE AREAS PURSUANT TO DECISION NO. C23-0413.

**COMMISSION DECISION OPENING PROCEEDING AND
DESIGNATING COMMISSIONER TOM PLANT
AS HEARING COMMISSIONER**

Mailed Date: September 18, 2023

Adopted Date: September 6, 2023

I. BY THE COMMISSION

A. Statement, Findings, and Conclusions

1. The Commission opens this proceeding to explore third-party implementation of certain pilot programs in the electric and natural service areas of Public Service Company of Colorado (Public Service) in accordance with Decision C23-0413.¹

2. In Decision No. C23-0413, at paragraph 207, the Commission concluded the following:

The Commission agrees with [the Colorado Energy Office] and others who have argued that the Colorado legislature has passed several statutes that prioritize [beneficial electrification] adoption, and seek to limit gas and electric infrastructure investment, and reduce greenhouse gas emissions. It is incumbent upon the Commission to implement these goals as opportunities arise, as well as to direct efforts to maximize the value of ratepayer-funded investments made in utility infrastructure. [Public Service Company of Colorado] argued specific proposals should be conveyed and

¹ Decision No. C23-0413, issued on June 22, 2023, Proceeding No. 22A-0309EG.

supported in plan proceedings. We find that, given the legislative guidance and lackluster performance in some of these areas by the Company thus far, it is not appropriate to wait until upcoming plan applications to assess various concepts related to third-party provision of gas [demand response] services, [virtual power plants], and other innovations that may be available from the private sector. Accordingly, the Commission intends to open in the near future a miscellaneous docket to further explore these issues and garner stakeholder input on reasonable parameters for Company-issued [requests for proposals].

3. In accordance with Decision No. C23-0413, the requests for proposals (RFPs) for third-party implementation of pilots would focus on three pilots: (1) virtual power plants; (2) natural gas demand response; and (3) neighborhood electrification.

4. The main objectives of this Proceeding include: (1) identifying the core objectives and timelines for the three pilots; (2) setting the main technical, cost and time parameters for the RFPs; (3) establishing milestones for the RFPs; and (4) setting operational and reporting milestones for the pilots.

5. We intend for the timeline for this Proceeding to be accelerated to ensure the pilots are useful to Public Service's next strategic issues application proceeding for demand-side management (DSM) and beneficial electrification (BE) required to be filed in 2025.

6. We designate Commissioner Tom Plant as Hearing Commissioner, pursuant to § 40-6-101(2), C.R.S.

II. ORDER

A. The Commission Orders That:

1. Consistent with the discussion above, the Commission opens this miscellaneous proceeding for the purpose of exploring third-party implementation of certain pilot programs in

the electric and natural service areas of Public Service Company of Colorado in accordance with Decision C23-0413.

2. This proceeding is designated as an administrative proceeding under 4 *Code of Colorado Regulations* 723-1-1004(b).

3. Pursuant to § 40-6-101(2), C.R.S., Commissioner Tom Plant is designated as the Hearing Commissioner.

4. This Decision is effective upon its Mailed Date.

(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

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
SEPTEMBER 6, 2023.**

(S E A L)



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