

Decision No. C23-0589

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19A-0369E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2020 – 2021 RENEWABLE ENERGY STANDARD COMPLIANCE PLAN.

**COMMISSION DECISION ADDRESSING
PUBLIC SERVICE COMPANY OF COLORADO
2022 RENEWABLE ENERGY STANDARD
COMPLIANCE REPORT**

Mailed Date: September 7, 2023
Adopted Date: August 30, 2023

I. BY THE COMMISSION

A. Statement

1. This Decision addresses the 2022 Renewable Energy Standard Compliance Report (RES Compliance Report) filed by Public Service Company of Colorado (Public Service or Company) pursuant to Rule 3662 of the Commission’s Renewable Energy Standard (RES) Rules, 4 Code of Colorado Regulations (CCR) 723-3-3650, *et seq.* As discussed below, we find that Public Service complied with the RES requirements in 2022 and that no hearing is necessary.

B. Discussion

2. Public Service’s 2020-2021 RES Plan was approved by Decision No. C20-0289 on April 28, 2020. By Decision No. C21-0838, issued December 30, 2021, the Commission granted an unopposed motion by the Company to extend its 2020-2021 RES Plan through 2022

during the pendency of its application for its 2022-2025 RES Plan in Proceeding No. 21A-0625EG.

3. On June 1, 2023, Public Service filed its RES Compliance Report pursuant to Rule 3662 of the Commission's RES Rules. On that date, Public Service also filed an Explanation of Solar*Rewards Community Standard Offer Error, addressing questions directed to the Company by Decision Nos. C23-0083, issued February 6, 2023, and C23-0200, issued March 23, 2023.

4. The Commission issued a notice of the Company's filing on June 2, 2023, and set a 30-day period during which interested parties could submit comments. No comments were filed.

5. Rule 3663(a)(III) of the Commission's RES Rules requires Staff of the Commission (Staff) to review a utility's annual compliance report within 60 days of its filing and recommend to the Commission whether the utility complied with the RES during the compliance year, whether a hearing is necessary, and whether any changes to the report are needed.

6. On August 1, 2023, Staff filed its timely review of Public Service's 2022 RES Compliance Report.

C. Conclusions and Findings

7. In accordance with the Electric Resource Standards of the Colorado Renewable Energy Standards (§ 40-2-124(1)(c)(I)(C), C.R.S.), Public Service was required to generate 30 percent of its 2022 retail electric sales from eligible energy resources. The Company's retail sales for 2022 were 28,790,273 MWh. The 30 percent RES requirement amounts to 8,637,082 MWh. In addition, the RES statute requires Public Service to generate three percent of its retail

electric sales—amounting to 863,708 MWh—from renewable distributed generation (DG) resources. At least one-half of that generation—amounting to 431,854 MWh—must come from retail distributed generation resources.

8. Consistent with the requirements in Commission Rule 3659, Public Service generally demonstrates compliance with the RES through the retirement of renewable energy credits (RECs).¹ Each REC corresponds to 1 MWh of electricity generated from an eligible energy resource. Using this approach, Public Service must show it retired a minimum of 8,637,082 RECs for the 2022 compliance year or demonstrate that it caused a certain number of MWh of electricity to be generated from eligible energy resources.

9. Based on its review of Public Service's 2022 RES Compliance Report, Staff concluded that the Company retired sufficient RECs to comply with all aspects of the RES for the 2022 compliance year. Staff concluded therefore that no hearing is necessary.

¹ Under Rule 3652, each REC is associated with 1 MWh of generation from a renewable energy resource. Additionally, under Rule 3654, for purposes of compliance with the RES, each kWh of eligible energy generated by an early eligible energy resource or generated by retail renewable distributed generation for which a QRU has entered into a purchase transaction prior to August 11, 2010 shall be counted as 1.25 kWh of eligible energy; each kWh of eligible energy generated from a community-based project shall be counted as 1.5 kWh of eligible energy; each kWh of eligible energy generated from a rural renewable project may be counted as 2 kWh of eligible energy subject to the restrictions on rural renewable projects in rule 3666; and a QRU may generate, or cause to be generated, and count eligible energy or RECs for compliance: a) For the compliance year immediately preceding the compliance year during which they were generated, provided that such eligible energy or RECs are generated no later than July 1 of the calendar year immediately following the end of the compliance year for which they are being counted; b) For the compliance year during which they were generated; or c) For the five compliance years immediately following the compliance year during which they were generated. For purposes of compliance with this RES, a QRU may substitute the equivalent RECs for eligible energy.

10. The Commission finds that Public Service is in compliance with the RES statute and rules for 2022. In addition to retiring the required RECs, Public Service a) satisfied the requirements for renewable distributed generation during the most recently completed compliance year and b) has correctly calculated the on-going annual net incremental costs for new eligible energy resources under subparagraph 3662(a)(XVI).

11. The Commission will continue to assess compliance requirements associated with Senate Bill (SB) 21-261 and SB 21-272 statutory changes in future RES Compliance Plans.

12. Based on Staff's analysis submitted in this Proceeding, we find that Public Service may carry forward a total of 1,612,010 Wholesale DG RECs, 1,387,832 Retail DG RECs, and 24,895,957 Non-DG RECs (in total, 27,895,890 RECs). These RECs may be used to meet RES requirements in future years or for any other legal purpose, in accordance with the Commission's RES Rules. 4 CCR 723-3-3650, *et seq.*

II. ORDER

A. The Commission Orders That:

1. Public Service Company of Colorado (Public Service) is in compliance with the Renewable Energy Standard (RES), including its distributed generation requirements, for the 2022 compliance year. Therefore, no hearing is necessary.

2. Public Service shall carry forward the renewable energy credits in excess of those used to demonstrate compliance with the RES in 2022, consistent with the discussion above.

3. This Decision is effective on its Mailed Date.

(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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Commissioners