

Decision No. C23-0093-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 22A-0230E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR (1) APPROVAL OF ITS 2022 ELECTRIC RESOURCE PLAN AND CLEAN ENERGY PLAN, AND (2) APPROVAL OF ITS 2023-2026 RENEWABLE ENERGY STANDARD COMPLIANCE PLAN.

**COMMISSION INTERIM DECISION SETTING
DEADLINE FOR STATEMENTS OF POSITION, AND
REQUIRING THE STATEMENTS OF POSITION
TO ADDRESS CERTAIN ISSUES**

Mailed Date: February 8, 2023
Adopted Date: February 8, 2023

I. BY THE COMMISSION

A. Statement

1. Through this Decision, set the deadline for statements of position (SOPs) and direct that the SOPs address certain issues.

B. Discussion

2. In Decision No. C22-0494-I, the Commission deferred setting the deadline for SOPs until the conclusion of the Phase I evidentiary hearing.¹ The Phase I evidentiary hearing in this Proceeding took place on February 2, 2023.

3. We set a deadline of February 16, 2023, for the filing of SOPs. This deadline provides the parties with two full weeks between the conclusion of the evidentiary hearing and the

¹ Decision No. C22-0494 (issued August 18, 2022), p. 18.

filing of SOPs. Given that the parties have filed an Unopposed Comprehensive Settlement Agreement, the Commission finds that two weeks is sufficient time to prepare and file SOPs.

4. In addition to the deadline for SOPs, we direct that the SOPs address the following topics:

- a. The parties' position on running—in addition to the demand response sensitivity set forth in the Settlement Agreement—the following sensitivities the Company set forth in its Rebuttal testimony: (1) high and low natural gas prices (and corresponding wholesale market power prices), (2) extreme summer and winter weather events like Storm Uri as recommended by Staff.² The parties should clarify the parameters on the planned sensitivities and specify the portfolios on which they will be run.
- b. How the Company will move forward with tracking and retiring renewable energy credits (RECs) in the context of § 25-7-105(e)(VIII)(H), C.R.S., under which certain electricity used for compliance with clean energy targets should be accompanied by a REC that is retired in the year generated.
- c. How the Company plans to implement interest at the weighted average cost of capital (WACC) on the prospective over and under collected Renewable Energy Standard Adjustment (RESA) balances pursuant to Paragraph 55.4 of the Settlement Agreement and the practical impacts of this plan on customers. This explanation should detail when the two separate accounts discussed during hearing will be created, when and what expenditures will credit from each account, and when and what revenues will be debited to each account.
- d. In the context of the requirement under § 40-2-127(5)(a)(IV), C.R.S. that the Commission “determine the minimum and maximum purchases of electrical output from newly installed community solar gardens” the parties' position on what the minimum level of purchases should be and how this is supported by the record evidence.
- e. How Black Hills plans to use the incentives under the Inflation Reduction Act in connection with its plans for capacity acquisitions from new community solar gardens, particularly as those plans relate to low-income customers.
- f. The parties' suggested approach to evaluating and modeling bids in Phase II under the assumption that, without being assessed an additional bid fee:

² HE 111 (Harrington Rebuttal) Rev. 1, p. 43.

(1) bidders are allowed (but not required) to submit their projects under two different capacity sizes, and (2) bidders are allowed (but not required) to submit both a utility-ownership version and PPA-version of their bid.

- g. The parties' suggested approach and timing for a stakeholder process to develop a performance incentive mechanism (PIM) on utility owned generation regarding capital costs, operations and maintenance expenses, and availability in which the PIM baseline is derived from the Phase II bids that the Company submits.
- h. In the event that Portfolio 2 (the Base ERP) achieves the clean air target of 80 percent emissions reduction by 2030 from 2005 levels, the parties' position regarding whether there will be any additional clean energy plan activities undertaken to meet the clean energy target and whether Black Hills will be entitled to a CEP Rider.
- i. The parties' response to the Commission's concerns and questions regarding the 100 MW preference set forth in Paragraph 23 of the Settlement Agreement, including the parties' position on structuring the RFP and Phase II process in the context of a preference that bids provide the maximum benefit to customers (including a consideration of risk mitigation, local development benefits, etc.) and the parties' position on soliciting bids that include multiple proposed project capacity options.

5. Given the Unopposed Comprehensive Settlement Agreement, the parties shall file a joint SOP. Any party may, however, file a separate SOP to express a different position on any of the items addressed in the joint SOP. The joint SOP, as well any other SOP filed by an individual party, must be filed by February 16, 2023.

II. ORDER

A. The Commission Orders That:

- 1. Consistent with the discussion above, the deadline for the filing of statements of position (SOPs) is February 16, 2023.
- 2. The SOPs shall address the issues set forth above.

3. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 8, 2023.**

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners

ATTEST: A TRUE COPY

A handwritten signature in cursive script, appearing to read "G. Harris Adams".

G. Harris Adams,
Interim Director