

Decision No. C24-0311-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24M-0050E

IN THE MATTER OF THE JOINT FILING OF THE 10-YEAR AND 20-YEAR TRANSMISSION REPORTS OF PUBLIC SERVICE COMPANY OF COLORADO, TRI-STATE GENERATION AND TRANSMISSION, INC., AND BLACK HILLS COLORADO ELECTRIC, LLC PURSUANT TO 4 CCR 723-3-3627.

**INTERIM COMMISSION DECISION NOTICING
PROCEEDING AND SETTING COMMENT DEADLINES**

Mailed Date: May 7, 2024

Adopted Date: May 1, 2024

I. BY THE COMMISSION

A. Statement

1. On February 1, 2024, Public Service Company of Colorado (Public Service), Tri-State Generation and Transmission Association, Inc. (Tri-State), and Black Hills Colorado Electric, LLC (Black Hills) filed a Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report as required by Rules 3625 to 3627 of the Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* (CCR) 723-3 (Transmission Planning Rules).

2. By this Decision, we notice this Proceeding, clarify its intended purpose, and set deadline for the filing of comments.

B. Discussion

3. The Commission's Transmission Planning Rules establish a process to coordinate the planning for additional electric transmission in Colorado on a comprehensive, transparent, and statewide basis, taking into account the needs of all stakeholders.

4. Rule 3627(a) requires each utility to file, no later than February 1 of each even year, a 10-year transmission plan and a 20-year scenario report with appropriate supporting documentation.

5. Rule 3627(h) requires the Commission to solicit written comments on the 10-year transmission plan and the 20-year scenario report. It states that the Commission will hold workshops or conduct a hearing on the utility's filings for the purpose of reviewing and rendering a decision regarding the adequacy of the Utilities' joint plan and the process used in formulating the plan. Upon review, the Commission issues a written decision regarding the utility's compliance with these rules and the general adequacy of existing and planned transmission facilities to meet Colorado's present and future energy needs in a prudent and reliable manner. As part of any issued decision, the Commission may also provide further guidance to be used in the preparation of the utility's next biennial filings.

6. In addition, Senate Bill 07-100 (SB 07-100), codified at § 40-2-126(2), C.R.S., requires each Colorado electric utility subject to rate regulation by the Commission to do the following:

- (a) Designate energy resource zones;
- (b) Develop plans for the construction or expansion of transmission facilities necessary to deliver electric power consistent with the timing of the development of beneficial energy resources located in or near such zones;
- (c) Consider how transmission can be provided to encourage local ownership of renewable energy facilities, whether through renewable energy cooperatives as provided in § 7-56-210, C.R.S., or otherwise; and
- (d) Submit proposed plans, designations, and applications for certificates of public convenience and necessity to the Commission for simultaneous review.

7. Rule 3627(e) requires conceptual long-range scenarios that look 20 years in the future and that analyze projected system needs for various credible alternatives. The rule requires, at a minimum, that the analysis include, among other considerations, reasonably foreseeable future public policy initiatives, and possible retirement of existing generation due to age, environmental regulations, or economic considerations.

C. Findings and Conclusions

8. Public Service, Tri-State, and Black Hills (the Utilities) made a joint filing on February 1, 2024, in accordance with Rule 3627(a). The executive summary of the Joint 10-Year Transmission Plan identifies approximately 100 transmission projects, summarized in a table and shown geographically maps. Attachments to the plan include details on the projects as and on the coordinated planning conducted among the Utilities.

9. Pursuant to Rule 3627(c)(IX), Public Service and Black Hills further included their respective SB 07-100 Designation of Energy Resource Zones and Transmission Expansion Planning Report in the joint filing.

10. By this Decision, the Commission provides notice that the Utilities have submitted together, pursuant to Rule 3627(a), a Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report, and that Public Service and Black Hills have each filed, pursuant to Rule 3627(c)(IX), a SB 07-100 report with regard to electric resource zones.

11. On September 28, 2023, by Decision No. C23-0640 (Transmission Pre-Rulemaking Decision), the Commission opened a miscellaneous proceeding to consider changes to the Transmission Planning Rules and other provisions within 4 CCR 723-3 (Electric Rules) related to the development, construction, and cost recovery of transmission infrastructure. The Commission directed the Staff of the Colorado Public Utilities Commission (Commission

staff) to work with stakeholders and other interested participants to elicit and compile responses to questions set forth in the Transmission Pre-Rulemaking Decision and later raised by Commission staff during the course of Proceeding No. 23M-0472E. Commission staff is charged with the development of a future Notice of Proposed Rulemaking (NOPR), and Proceeding No. 23M-0472E thus serves as a repository for the filing of comments, responses, proposed rule changes and other relevant information.

12. The Transmission Pre-Rulemaking Decision explains that the Commission last took up transmission planning rules in 2010 in Proceeding No. 10R-526E. In the years since the resulting Rule 3627 was adopted in 2011,¹ six Commission reviews of joint utility transmission plans have been completed. While the final decisions in each of the proceedings have found the utility transmission plans to be adequate “to meet present and future energy needs in a reliable manner” in accordance with Rule 3627, the five most recent such decisions have also articulated significant shortcomings of the Commission’s transmission planning process and recommended that the Commission take up a rulemaking to address these shortcomings. Transmission Pre-Rulemaking Decision summarizes the substantive reasons for a future rulemaking to revise the Transmission Planning Rules and related provisions within the Commission’s Electric Rules.

13. The Transmission Pre-Rulemaking Decision goes on to explain that, in addition to the potential improvements identified in prior transmission planning proceedings pursuant to Rule 3627, the Commission has recognized other potential issues related to the development, construction, and cost recovery of transmission infrastructure to potentially be address through revising the Electric Rules. These topics include the consideration of perceived shortcomings in transmission planning conducted by the Colorado Coordinated Planning Group (CCPG), regional

¹Decision No. R17-0580, issued on July 31, 2017, Proceeding Nos. 15M-0853E, 16M-0063E, & 15M-0856E.

and inter-regional transmission linkages, formal cost-benefit frameworks for all or a subset of transmission projects, and the use of performance incentive mechanisms (PIMs) and related reforms to cost recovery and after-the-fact prudence reviews.

14. Due to the ongoing activities in Proceeding No. 23M-0472E, we will not implement all of the procedures set forth in Rule 3627(h) with respect to the Utilities' Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report. Specifically, we will not hold workshops or conduct a hearing on the Utilities' filings for the purpose of reviewing and rendering a decision regarding the adequacy of the Utilities' joint plan and the process used in formulating the plan. Instead, we will solicit written comments on the Utilities' filings in this Proceeding and, in accordance with the Transmission Pre-Rulemaking Decision, direct Commission staff to consider the Utilities' joint filings and any comments addressing the Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report in the development of the future NOPR contemplated by Transmission Pre-Rulemaking Decision. If Commission staff determines that additional information or workshops on the Utilities' joint filings in this Proceeding are necessary, Commission staff may informally seek such information or convene the workshops as necessary to support the future NOPR. Therefore, the Commission waives, on its own motion, the requirement in Rule 3627(h) to hold workshop(s) or hearing(s) and the requirement to issue a written decision in this Proceeding.

15. We invite interested persons to file comments on the Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report in this Proceeding on or before June 21, 2024. Response comments shall be submitted no later than August 23, 2024.

II. ORDER

A. It Is Ordered That:

1. Consistent with the discussion above, we solicit comments on the Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report filed on February 1, 2024, by Public Service Company of Colorado, Tri-State Generation and Transmission Association, Inc., and Black Hills Colorado Electric, LLC.

2. Interested persons may file comments on the Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report in this Proceeding on or before June 21, 2024. Response comments shall be submitted no later than August 23, 2024.

3. The requirement in 4 *Code of Colorado Regulations* 723-3-3627(h) to hold workshops or hearings and the requirement to issue a written decision regarding the Joint 10-Year Transmission Plan and 20-Year Conceptual Scenario Report are waived on the Commission's own motion.

4. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 1, 2024.**

(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

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners