Decision No. C24-0601

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23A-0392EG

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2028 CLEAN HEAT PLAN.

COMMISSION DECISION ADDRESSING APPLICATIONS FOR REHEARING, REARGUMENT, OR RECONSIDERATION OF DECISION NO. C24-0397 AND DENYING MOTION FOR LEAVE TO RESPOND

Issued Date: August 21, 2024
Adopted Date: July 31, 2024

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I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of the applications seeking rehearing, reargument, or reconsideration ("RRR" or the "RRR Applications") of Decision No. C24-0397, which the Commission issued on June 10, 2024 ("CHP Decision"). The RRR Applications were filed on July 1, 2024, by the following parties to this Proceeding: (1) Public Service Company of Colorado ("Public Service"); (2) the Office of the Utility Consumer Advocate ("UCA"); (3) the Colorado Renewable Energy Society and the Physicians for Social Responsibility-Colorado ("CRES/PSR-CO"), jointly; and (4) Natural Resources Defense Council,

Sierra Club, the Southwest Energy Efficiency Project, and Western Resource Advocates, jointly ("Environmental Organizations").

2. Through this Decision, the Commission grants, in part, and denies, in part, the applications for RRR filed by Public Service, UCA, and the Environmental Organizations. The Commission denies the Application for RRR filed by CRES/PSR-CO.

3. The Commission also denies the Motion for Leave to Respond to RRR ("Motion for Leave to Respond"), filed by Environmental Organizations on July 10, 2024.

B. Background

4. We have previously detailed the background and procedural history of this Proceeding in the CHP Decision, issued on June 10, 2024. Here, we provide only that background and procedural history necessary for this Decision.

5. In the CHP Decision, the Commission granted, with modifications, the application for approval of Public Service's 2024-2028 Clean Heat Plan.

6. On July 1, 2024, the following parties submitted applications for RRR: Public Service, UCA, CRES/PSR-CO, and the Environmental Organizations.

7. On June 10, 2024, the Environmental Organizations filed a Motion for Leave to Respond to RRR of the UCA.

8. Through Decision No. C24-0531, issued on July 24, 2024, the Commission granted the applications for RRR for the sole purpose of tolling the statutory deadline pursuant to § 40-6-114 C.R.S.

9. The Commission deliberated on the merits of the RRR applications at the July 31, 2024 Commissioners' Weekly Meeting ("CWM").

C. Issues Addressed on RRR

10. The aforementioned parties filed applications for RRR pursuant to § 40-6-114, C.R.S., and Rule 1506, 4 *Code of Colorado Regulations* 723-1. The Commission addresses each issue, in turn, presented in the applications below.

1. Expansion of the Market Transformation Portfolio ("MTP") Budget

a. Request

11. In the CHP Decision, the Commission determined that it was appropriate to expand the budget for the Company's proposed all-electric new construction MTP proposal by approximately sixfold.[1] The Commission expanded the budget for this program because it found that all-electric new construction offers the most cost-effective opportunities to simultaneously reduce emissions and capital expenditures.

12. UCA argues that the Commission's decision to increase the Residential All Electric New-Build Initiative budget should be reconsidered because it is not supported by substantial evidence in the record. UCA argues that it did not have proper notice to consider and offer testimony on the expanded budget because it was first discussed at deliberations and not earlier in the Proceeding. UCA also contends that this project will not count as a clean heat resource. UCA contends that this budget increase is not supported by substantial evidence, so the Commission must modify the budget for the Residential All-Electric New Build program to the budget requested by the Company.

b. Motion for Leave to Respond

13. In the Motion for Leave to Respond, the Environmental Organizations seek to respond to several statements made by UCA in its Application for RRR. They argue that a reply

[1] Commission Decision No. C24-0397, ¶ 138.

is appropriate under Rule 1506(b) because UCA makes several "misstatements or improper statements of law." Specifically, the Environmental Organizations argue that (1) UCA is incorrect that emission reductions would not count towards the clean heat target emission reduction because the Commission created an avenue elsewhere in the CHP Decision for MTP emissions to count towards a clean heat target if verified later; (2) UCA's claim that it lacked notice and an opportunity to be heard materially misrepresents facts in the record and is an error of law because the proposal was part of the proceeding the entire time, and UCA knew pursuant to § 40-3.2-108(6)(d), C.R.S., that the Commission could alter the Company's proposed plan if necessary to find the plan in the public interest; and (3) that substantial evidence in the record does support the Commission's decision to increase the electric new construction pilot budget, including that electrification is the "low hanging fruit," and cost-effective.[2]

c. Findings and Conclusions

14. We grant the motion for leave to respond to UCA's RRR. Although replies to RRR are unusual, in this instance we see reason to allow the response as it will aid the Commission in considering the requests in UCA's RRR and the Environmental Organizations point out several misstatements pursuant to Commission Rule 1440(e)(I). In their motion, the Environmental Organizations identify several ways in which they believe UCA's RRR misinterprets what the Commission intended with respect to counting emissions from MTP projects and point out significant holes in UCA's legal argument asserting lack of record support and notice. We therefore consider the Environmental Organization reply as part of our deliberations.

15. The phrase "substantial evidence" that UCA uses here is a term of art used throughout administrative law to describe how courts review agency decisions and serve as a check

[2] Environmental Organizations Motion for Leave to Reply, p. 3.

upon erroneous agency action. Under this standard, courts look to the existing administrative record and ask whether it contains sufficient evidence to support the agency's factual determinations. The threshold is not necessarily high. Substantial evidence means only "such relevant evidence as a reasonable person's mind might accept as adequate to support a conclusion." *Danks v. PUC*, 512 P.3d 692, 701, reh'g denied (Colo. 2022). For the PUC, § 40-6-115, C.R.S., directs a reviewing court to examine whether the Commission "acted in accordance with the evidence." Here, the evidence clearly supports an expansion of the All-Electric New Construction MTP budget. The Commission must consider whether a clean heat plan achieves the clean heat targets at a cost reasonable to customers, and may modify a plan to ensure it is in the public interest. Here, the Commission modified the plan to include an expanded budget for all-electric new construction because of the record support that this is a particularly cost-effective electrification approach, and likely one of the best options for helping to manage down the capital spending for new natural gas infrastructure in ways that could benefit all customers. The Commission's determination (based on testimony by both the Company, Staff, and others) to increase the budget for a program that the record supports is squarely in its discretion under both SB 21-264 and its general authority. pursuant to § 40-3-102, C.R.S. Further, any emission reductions realized by the All-Electric New Construction MTP can count towards the Company's clean heat target if it meets the parameters set forth in CHP Decision paragraph 135.

2. Miscellaneous Docket to Explore Cost Allocation

a. Request

16. UCA argues that the creation of a new miscellaneous docket to explore cost allocation of new gas infrastructure investments is a necessary step to progress gas sector emission

reductions. UCA notes that it raised the issue that gas system growth, customer cost containment and emission reductions are generally incompatible, and that it recommended the Commission explore cost allocation of new construction and capacity expansion to "cost causers."[3]

17. UCA justifies the new docket, stating this approach will provide accurate price signals to new gas customers including the cost of new infrastructure investment. In turn, higher price signals will increase customer interest in beneficial electrification ("BE") and associated emission reductions expected from the Residential All-Electric New Build program.[4] UCA notes that its witness, Ms. Henry-Sermos,[5] proposed the recommended investigatory docket through testimony, but that the Commission did not explicitly respond to the concept. UCA interprets this silence as a denial of its recommendation.

18. UCA argues that the investigatory docket and consideration of stranded (new) gas assets will conceptually dovetail with the Colorado Energy Office's evaluation of stranded or underutilized natural gas infrastructure investments pursuant to SB 23-291, including an evaluation of how these investments impact measures to achieve the Greenhouse Gas Emissions reductions goal set forth in § 25-7-102(2)(g), C.R.S. UCA argues that the Commission should, in conjunction with expanding the Residential All Electric New Build Initiative, explore the cost allocation considerations to quell new gas infrastructure system investment.

b. Findings and Conclusions

19. We agree with UCA on the importance of considering this issue of cost allocation and cost causation more fully in a future proceeding. However, we find that the topics that UCA

[3] UCA RRR, p. 5 citing Hrg. Exh. 301 (Ms. Henry-Sermos Answer) at 46.
[4] UCA RRR, p. 6.
[5] UCA suggests in its Answer Testimony that their proposed investigation should build on the approach to removing infrastructure subsidies in SB 23-291.

requests we consider through an investigatory docket are extremely interrelated to the study required by SB 23-291, codified at § 40-3-121, C.R.S. The Commission will consider the evaluation requested by UCA here through that proceeding, which is anticipated to begin within 60 days after the Commission issues a "final, nonappealable decision" in this Proceeding.

3. Prioritization of Cold Climate Heat Pumps

a. Request

20. In the CHP Decision, the Commission agreed with WRA and other intervenors that AC replacement with heat pumps represent a far easier customer decision and that the Company should prioritize this pathway in BE program implementation, in addition to revising its modeling accordingly for future filings.[6] The Commission did not specify whether standard heat pumps or cold climate heat pumps should be prioritized, but did reference "standard" heat pumps numerous times.

21. CRES/PSR-CO request the Commission order the Company to "prioritize the AC replacement pathway in BE program implementation and to incentivize the adoption of cold climate heat pumps over standard heat pumps."[7] They urge the Commission to prioritize cold climate heat pumps (not standard heat pumps) as the replacement for air conditioners for two main reasons. First, cold climate heat pumps are matched to Colorado's cold climate and second, when installed in a dual-fuel application with a gas furnace, can greatly reduce air pollution and GHG emissions compared to a standard heat pump.[8]

[6] Decision No. C24-0397, ¶ 56.
[7] CRES/PSR-CO, p. 3.
[8] CRES/PSR-CO, p. 3.

b. Findings and Conclusions

22. Our CHP Decision indicated our agreement with WRA and others that heat pumps installation at the time of AC replacement should be prioritized as a pathway for electrification-however, the Commission inserted "standard" heat pumps in this finding. We find it reasonable to strike "standard" from CHP Decision paragraph 56 to align our finding more consistently with the party position of WRA and others that we endorse in paragraph 56.

23. The Commission notes that, as presently designed, the Company's BE programs in fact offer a higher incentive for cold climate heat pumps relative to standard heat pumps in recognition of the differential in costs and benefits between the technologies, including those mentioned by CRES/PSR-CO. Higher incentives for cold climate heat pumps are likely an important tool in expressing a priority to customers to pursue the enhanced benefits that cold climate heat pumps can offer over standard models, while still allowing the potential for a lower cost pathway. Ideally, these incentive differentials are well thought out by the Company and intervenors to take into account the specific advantages offered to customers, to utility infrastructure planning and the enhanced environmental outcomes that are likely associated with cold climate heat pumps, in particular, to promote customers to choose such technology over alternatives, if they are able.

24. While we agree generally with CRES/PSR-CO that cold climate heat pumps present a valuable technology for electrification in Colorado's climate, and that the utility plays an important role shaping customer behavior to pick appropriate technologies for electrification, we decline to order the Company to require further prioritization of cold climate heat pumps over standard heat pumps until better comprehension of the array of costs and benefits of each

technology, as well as customer behavior in light of numerous incentives available, can be ascertained. Accordingly, we require the Company to continue and refine its evaluation of the costs and benefits of these technologies and trends in customer technology adoption, and to submit its evaluation with its 2026 combined Strategic Issues and CHP filing, as required in the CHP Decision.

4. Carrying Charges on Riders

a. Request

25. Paragraph 230 of the CHP Decision requires the Company to implement asymmetrical carrying charges for Clean Heat Plan cost collected through the applicable gas and electric demand side management cost adjustment ("DSMCA") riders, with the Company paying a carrying charge on over-collected funds and no carrying charge on under collected funds. In its RRR, Public Service claims this would create multiple carrying charge structures within the DSMCA riders, adding complexity to the implementation and administration of the cost-recovery mechanism for both Clean Heat Plan and side management ("DSM") spending. The Company requests reconsideration of this directive and asks that the existing carrying charge architecture of the DSMCA riders apply to all funds collected through them, "as that is a more administratively efficient approach for the electric and gas costs, respectively, that flow through these mechanisms."[9]

b. Findings and Conclusions

26. We find that the Company's request here is reasonable to ensure efficient administration of the DSMCA riders and therefore grant the Company's request on this issue. While an asymmetrical carrying charge could provide some advantages, as recognized in our

[9] Public Service RRR, p. 11.

original decision on this point, we recognize that it is not desirable to have two separate carrying charge structures for one rider. The Company may use the existing DSMCA rider carrying charge architecture for recovery of clean heat-related costs as well (*i.e.*, the asymmetrical carrying charge may be removed). In 2026, we intend to hear the DSM-SI and Clean Heat proceedings together, which could allow for a better opportunity to vet the overall carrying charge strategy associated with the DSMCA.

5. Order of Budget Expenditure

a. Request

27. In Paragraph 254 of the CHP Decision (first bullet), the Commission ordered the Company to "[a]llow for immediate 'augmentation' of existing rebates using clean heat funding as to not delay the 2024 efforts." In Paragraph 256 of the CHP Decision (second to last bullet), the Commission specified that funds authorized in the DSM Strategic Issues Proceeding, 22A-0309EG, must be spent prior to funds authorized in the approved Clean Heat Plan and must first rely on each fund's standard budgets, then each fund's flexibility budgets. Specifically, the Commission's direction in question is as follows:

> Strategic issues and clean heat plan funds should be spent in the following order: 1) strategic issues funds as specifically approved under the Commission's decision in the strategic issues proceeding (C23-0413) before inclusion of the flexibility budgets; 2) clean heat plan funds as specifically approved under this clean heat plan decision before inclusion of the flexibility budgets; 3) the flexibility budgets approved here in this clean heat plan (per the Commission's oversight of such funds); 4) the flexibility budgets approved in the strategic issues proceeding;

28. In its RRR application, Public Service requests the Commission reconsider its directive regarding the order in which Clean Heat Plan and DSM/BE Plan funds are spent to give the Company "maximum flexibility in implementing incentive programs for BE and DSM measures" The Company claims this poses "potentially significant practical and other difficulties

to execute the Clean Heat Plan and its 2024-2026 DSM/BE Plan" and that it appears to conflict with the separate requirement in paragraph 254 that the Company immediately 'augment' existing rebates using clean heat funding as to not delay the 2024 efforts.

29. The Environmental Organizations raise a similar concern claiming a literal interpretation of paragraph 256 would negate the Company's ability to comply with paragraph 254. The Environmental Organizations offer a solution, stating they understand the Commission's concern to be solely regarding the sequencing of spending from the different budgets such that increased incentives should be paid out of the DSM-BE Strategic Issues budget before moving on to the CHP budget. They state: "We would recommend modifying Paragraph 254 and Paragraph 256 to clarify this intent."

b. Findings and Conclusions

29. The Commission agrees with the Environmental Organization's proposed interpretation of paragraphs 254 and 256. The Commission notes that DSM and BE expenditures authorized through the CHP Decision are expected to be implemented through the existing DSM and BE programs, not separate or additional programs. Accordingly, paragraph 254 required the Company to augment the incentives customers receive through these programs. In essence, the CHP Decision provides the DSM and BE programs more financial resources in order to achieve a larger set of goals that now include emission reductions with the ultimate goal of meeting the Clean Heat emission reduction targets established in statute. The bullet in paragraph 256 that was raised in RRR was designed to direct the Company to draw down the sources of funds in a specific manner. As the Environmental Organizations interpret paragraph 256, its intent was *solely*

regarding the sequencing of spending from the different budgets. With this clarification, the Commission declines to reconsider or modify our Decision.

6. Electric-Only Customer Eligibility

a. Requests

30. Paragraph 291 of the CHP Decision states that Company programs should be consistent and uniform "regardless of whether a customer receives gas-only, electric-only or combination service from the Company." However, in the last sentence of paragraph 291, the Commission also requires the Company to "make its DSM and BE programs available, and consistently administered, to all its gas customers regardless of whether Public Service provides both fuels."

31. The Company requests clarification that the Commission intends demand DSM and beneficial electrification ("BE") programs to be made available to electric-only customers as well. The Company states the only omission should be transport customers.[10]

32. Similarly, the Environmental Organizations also ask for clarification of paragraph 291. To that end, they state that they interpret the guidance as "making all of the Company's gas customers eligible for BE incentives under the CHP, but not the Company's electric-only customers." They ask the Commission to clarify and reconcile paragraphs 291 and 256 in light of the fact that electric-only customers are eligible to receive funds from the Company's DSM/BE Plan but not the CHP."[11] The Environmental Organizations argue that a reasonable interpretation of the CHP Decision is that the Company can use the BE Plan flexibility budget to pay BE rebates for electric-only customers after the BE Plan base budget has been spent,

[10] Public Service RRR, p. 12.
[11] Environmental Organizations RRR, pp. 5-6.

with no requirement that the CHP base budget be exhausted (given that the CHP budget cannot be used for electric-only customers).

b. Findings and Conclusions

33. We wish to clarify that our intent in the CHP Decision was for the Company to make its DSM and BE programs available and to be consistently administered for the benefit of *all* its sales customers, regardless of whether Public Service provides gas, electricity or both fuels. We acknowledge that the Commission's CHP Decision language in paragraph 291 does not express clearly the Commission's intent. We therefore strike the last sentence of CHP Decision paragraph 291, and replace it with the following: "Accordingly, we order the Company to make its DSM and BE programs available and to be consistently administered for the benefit of all its sales customers regardless of whether Public Service provides gas, electricity or both fuels." We also acknowledge the exclusion of transport customers as stated in the Company's RRR filing.

7. Recovered Methane Expenditure

a. Request

34. The Company notes that the Commission approved a $5 million budget for recovered methane in 2025 and 2026, for a total of $10 million on a net present value ("NPV") basis. The Company explains that it has potential projects that it may be able to bring forward to the Commission's 60/90-Day Notice process for recovered methane projects within 2024. The Company seeks clarification that for such projects, or for contracts that extend into 2027, the Company may pull forward this budget into 2024 or extend it into 2027, subject to the same total recovered methane budget of $10 million on an NPV basis. Public Service states this flexibility is warranted in this instance given that available recovered methane contracts may not necessarily

align with the $5 million per year proposed budget schedule, and the Company seeks clarification that it may contract for recovered methane across all years of the Clean Heat plan subject to the $10 million total budget.[12]

b. Findings and Conclusions

35. We grant the Company's RRR request on this issue and agree with the Company's interpretation of CHP Decision paragraph 102. The Company may utilize the flexibility as needed to utilize the budget granted in 2024 or extend it into 2027 as needed, subject to the approved budget of $10 million on an NPV basis. Put otherwise, the Company may contract for recovered methane across all years of the Clean Heat plan subject to a total $10 million total budget on a NPV basis.

8. Reporting of Adoption Rates Pursuant to Paragraph 114

a. Requests

36. In Paragraph 114 of the Decision, the Commission required that, in order to use budget flexibility across resources in a given year, "technology adoption levels" must be met for the program to which funds are being shifted. The Company requests the Commission clarify that the Company is required only to demonstrate through its 60/90-Day Notice seeking to exercise budget flexibility that the requested shift is a reasonable use of funds and that the program to which funds are being shifted has been reasonably successful, and not require a showing that "technology adoption levels" were met.[13]

37. The Company explains that it is concerned that it may not be able to provide specific information as to actual adoption rates in real time. Those rates are modeled and measuring

[12] Public Service RRR, pp. 12-13.
[13] Public Service RRR, p. 13.

them in practice may be difficult. In addition, the Company argues that the modeling of adoption rates has been a source of contention in this Proceeding, and there is substantial uncertainty as to what pace of adoption will actually occur. The Company requests that the potential uses of budget flexibility not be restricted based on any current model-based projections.

38. Public Service argues that using either the "Flex Base – AC Replacement" scenario or the CEO GHG Roadmap as a "technology adoption level" pace could lead to concerning scenarios like pausing heat pump rebates prior to year-end. The Company argues that budget flexibility should be allowed, subject only to the 60/90-Day Notice requirement based on the standard of whether the requested shift is a reasonable use of funds and that the program to which funds are being shifted has been reasonably successful.

b. Findings and Conclusions

39. The Commission is sympathetic to the Company's concerns about tracking uptake rates in real-time. We clarify that by "technology adoption level" rate we are referring to is the measure installation rate in paragraph 114 in the CHP Decision, and not necessarily the percentage of the overall market. We expect to see accurate, real-time update to information regarding the actual quantity of measures adopted and the associated greenhouse gas emissions anticipated. In order to utilize the budget flexibility referenced in paragraph 114 of the CHP Decision, we expect the Company to present as real-time as possible data on measure uptake as part of its presentation that the requested shift of funds is a reasonable use of funds and that the program to which funds are being shifted has been reasonably successful.

40. We also acknowledge this is the first time that the Company or stakeholders are undergoing implementing a clean heat plan, and are cognizant of the need for some flexibility on

this issue of ensuring the Company is meeting the pace of technology adoption levels modeled in this Proceeding. If the Company is properly tracking measure uptake and providing that data as part of the 60/90-Day Process, then we anticipate some ability to use the budget flexibility mechanism to reallocate funds, even if not on the modeled pace of adoption levels, if it is an otherwise reasonable request. We clarify that the Company must provide data on uptake adoption as part of its reasonableness presentation, but does not necessarily need to meet the Roadmap or the "Flex Base – AC Replacement" scenario modeled adoption paces to be a reasonable shift of funds.

9. Program Participant Data Collection and Reporting Forum

a. Requests

41. The Environmental Organizations raise a concern regarding the reporting requirements found in CHP Decision paragraph 258, which orders the Company to report certain information for program participants. This information includes cost information of measures installed from participating contractors as well as square footage and age of home, measure capacity (*e.g.*, in cooling tons), installation location, and other data as to support refinement of incentives without being a burden to contractor participation. The Environmental Organizations state that they are concerned that this level of detail would be burdensome for contractors and participants and could reduce participation in the Company's programs. They request the Commission "clarify" whether this is intended to require the Company to "collect this information from all participants, or only a subset of participants (e.g., a representative sample, etc.)."[14]

42. Paragraph 258 of the CHP Decision requires the Company to make certain "additional DSM reporting" filings. The Company requests clarification as to where this reporting

[14] Environmental Organizations RRR, p. 7.

should occur. It suggests that the reporting of measures installed and related data in the first bullet (i.e., those related to the number of measures installed and appliances replaced) can be included in the Company's annual Clean Heat reporting to the extent reasonably available, and that the reporting requirements in the third bullet point (i.e., the assessment of split incentives and study of cost information from contractors designed to inform future modeling efforts) should be reported with or in advance of the Company's next Clean Heat Plan filing.[15]

b. Findings and Conclusions

43. We find that a representative sample and not every single participant data reporting is an appropriate modification to the reporting requirements in paragraph 258. However, we reiterate that at this early juncture, we need as much data and information as possible to understand how these programs are working. We further suggest that the stakeholders consider, as part of their incentive design discussions, a slightly higher incentive level for participants who agree to engage in detailed data collection to ensure that information helpful to understand uptake, system characteristics and other information to aid in refining offerings and direction is collected to the greatest extent possible.

44. We also agree with the Company's proposal as to where this information is most properly reported and grant its RRR request to this extent.

10. Cost Allocation

a. Requests

45. The Company requests that the Commission clarify how the Company should assign costs between gas and electric customers for Clean Heat expenditures not clarified in the CHP Decision. In Paragraph 246, with respect to the costs to "electrify existing gas end-uses,"

[15] Public Service RRR, p. 19.

the Commission adopted Staff's argument to implement a 50/50 allocation amongst electric and natural gas customers. However, the Company notes, the CHP Decision does not explicitly approve or reject the Company's allocation proposals regarding other Clean Heat expenditures in Verticals 1 and 2. The Company suggests that: (1) Vertical 1 DSM and BE expenditures align with existing treatment under the DSMCAs and consistent with the Strategic Issues proceeding (Proceeding No. 22-0309EG); (2) Vertical 1 recovered methane would be recovered from gas customers only; and (3) MTP costs would be assigned consistent with the nature of the MTP and the existing allocation method applied under the DSMCAs and Strategic Issues proceeding. The Company explains that with these directives in place, it can structure the necessary tariff amendments for Commission consideration.

b. Findings and Conclusions

46. We grant the clarifications requested by the Company and find that they are consistent with the Company's intent and provides valuable clarification on the issue of allocation. We further clarify that for the MTP costs, the same methodology shall be utilized. We intend that for MTPs that are DSM and BE-related expenditures, the Company shall allocate using the 50/50 methodology proposed. However, for alternative fuel related MTP expenditures, costs shall be recovered from gas customers only.

11. Heat Pump Modeling Guidance

a. Request

47. In the CHP Decision, the Commission emphasizes the need for quality input data on incremental upgrade costs for heat pumps and other technologies in future clean heat plans. The Commission noted that there was a disparity in incremental cost values used by SWEEP in

the Pollution Free Building Portfolio and the Company in its E3 model. In their RRR, the Environmental Organizations argue that the cost differential between the E3 and the Pollution Free Building Portfolio approach is actually due to the fact that E3's values compared the combined cost of a heat pump plus a furnace to the combined cost of an air conditioner plus a furnace. They contend the Commission should direct the Company to include heat pump replacements of AC units alone as a measure in its next clean heat plan, and to calculate the incremental cost of these replacements as the difference between the heat pump cost and the air conditioner cost.[16] They also suggest there is little need for the Commission's directive to the Company to "present testimony in the next proceeding that utilizes modeling specifically on the technology cost data inputs it chose."

b. Findings and Conclusions

48. We decline to remove our directive to present testimony in the next proceeding that utilizes modeling specifically on the technology cost data inputs it chose as requested by the Environmental Organizations. We find that, like any other modeling input, it is very important for the Company to justify its assumptions and costs modeled, especially at this relatively early time in this transition work. However, we do agree with the Environmental Organizations that there would be value in presentation by the Company of modeling that compares heat pumps directly against AC units alone and indicated that direction in the CHP decision. In Paragraph 57 of the Commission's CHP Decision highlighted the Commission's agreement with WRA and other intervenors related specifically to AC replacement as a key electrification pathway and highlighted the need for the Company to "both prioritize this pathway in BE program implementation and to

[16] Environmental Organizations RRR, pp. 7-9.

revise its modeling accordingly for submittal in its next application in which this modeling is presented."

12. Cost-Effectiveness Test

a. Request

49. Paragraph 60 of the CHP Decision discusses the appropriate cost-effectiveness test and provides a discussion of their benefits and drawbacks. However, the Commission did not make a finding in the CHP Decision as to what is the appropriate cost-effectiveness test for portfolio comparison for future clean heat plans. The Environmental Organizations request that the Commission specify that a "modified" UCT (which includes the social costs of carbon and methane and the health benefits from reduced air pollution) is appropriate to compare the cost-effectiveness of different measures or select between portfolios. The Environmental Organizations argue that the mTRC would be inappropriate for this purpose, both because "it doesn't provide an adequate mechanism for comparing cost effectiveness of various measures and incentives," and because it includes equipment costs paid by individual customers that the clean heat statute does not direct the Commission to consider in evaluating cost-effectiveness.[17] They assert that the Commission should clarify its decision to make this direction explicit, so that the Company does not use a cost test not well-suited for clean heat purposes.

b. Findings and Conclusions

50. We agree with Environmental Organizations that the UCT test should be modified to consider the emissions avoided and the health benefits from reduced air pollution. Both modifications are consistent with SB 21-264 and allow for cost-effectiveness to be measured against the full benefits of a measure, including those required in statute. However, we decline to

[17] Environmental Organizations RRR, p. 9.

specify the required cost-effectiveness test at this juncture. We see potential value in the presentation of different cost-effectiveness tests for both program development models that may applied earlier in the planning process, to the extent applicable, as well as portfolio evaluation models that may applied in the Company's final evaluation and selection among alternative portfolios. Accordingly, we decline to adopt one perspective over another at this point, as long as the cost-effectiveness analysis ultimately used complies with statute. We also express our interest in an interactive (executable) cost-effectiveness analysis tool so that the Commission and stakeholders can better comprehend the perspectives of various cost-effectiveness analyses or a customized combination of costs and benefits relevant to the Company's programs and investments.

13. Effect of Incentive Scalars

a. Request

51. In Paragraph 54 of the CHP Decision, the Commission rejected the inclusion of the scalar concept that Public Service utilized for its portfolio modeling. The Commission found the incentive scalar concept inconsistent with technology cost curves experienced with wind, solar, and batteries. Further, the Commission found that when "the scalar was removed from the model run, the total abatement of carbon dioxide increased significantly, BE budget increased modestly, and the cost benefits of the plan improved materially."

52. The Company argues this sentence is incorrect regarding both abatement and the BE budget. First, they contend, the incentive scalars do not change the total abatement. This is because, the scalars "do not change the cost optimization process of our modeling, and so changing them will not change the number of a given resource that is selected or the overall emissions

reduction results."[18] Public Service also contends that removing the incentive scalars lowers the budget for beneficial electrification in a given portfolio, because the scalars are intended to predict the higher program cost of incentivizing very high levels of market penetration. The Company suggests the Commission may want to remove this finding in order to clarify the record.

b. Findings and Conclusions

53. We strike this sentence from the CHP Decision in light of the ambiguity asserted by the Company. We find that the Commission's decision to reject the incentive scalar approach is otherwise justified in this paragraph, and that removal of this potentially misleading sentence is appropriate.

14. Timing of Informational Filings

a. Request

54. Ordering Paragraphs 2 and 4 of the CHP Decision require certain informational filings. The Company requests that the Commission clarify that for simplicity all such informational filings be made at the same time, 60 days after the effective date of the Commission's decision granting or denying any applications for RRR.[19] The Company states that a single informational filing will reduce administrative complexity for the Company, and that 60 days is necessary for the Company to address any changes based on the Commission's decision addressing the parties' RRR Applications, to confirm calculations, and to prepare the filing addressing the information the Commission seeks.

[18] Public Service RRR, p. 15, citing Hrg. Ex. 145 at 10:14-21 (Aas Bench Request Testimony).
[19] Public Service RRR, p. 19.

b. Findings and Conclusions

55. We agree with the clarification requested by the Company and order that the informational filings required in Ordering Paragraphs 2 and 4 of the CHP Decision shall be filed no later than either 60 days after the effective date of this Decision, or any future Commission decision addressing applications for RRR in this Proceeding.

15. Deadline for Next Clean Heat Plan Filing

a. Request

56. In Paragraph 55 of the CHP Decision states that the Company's next Strategic Issues application is to be filed "no later than July 1, 2025." The Company believes that this date is a typographical error, and respectfully seeks clarification that the combined Clean Heat and Strategic Issues application is to be filed no later than July 1, 2026, consistent with the discussion elsewhere in the CHP Decision.[20]

b. Findings and Conclusions

57. We agree that the date specified in paragraph 55 of the CHP Decision is a typographical error and therefore grant Public Service's RRR request on this issue. Paragraph 55 of the CHP Decision should read "July 1, 2026," consistent with the rest of the CHP Decision.

16. Cost Recovery for MTP Initiatives

a. Request

58. In paragraph 135 of the CHP Decision, the Commission adopted three criteria proposed by CEO to be used to determine which Market Transformation Portfolio ("MTP") initiatives should be approved. These were: (1) the initiative has the potential to reduce emissions; (2) the initiative has the potential to be a clean heat resource; and (3) the initiative is a prudent use

[20] Public Service RRR, pp. 19-20.

of ratepayer funds. The Commission added the following criteria to CEO's list as prerequisites to MTP initiative cost recovery through the DSMCA riders or initiative emission reductions contributing toward clean heat goals: (1) the documentation for each initiative must articulate a clear set of objectives for the project; (2) the documentation for each initiative must include a clear timeline for project completion; and (3) a final report for each project must be submitted which clearly communicates project outcomes and the potential for scaling the project to a full program. Paragraph 135 of the CHP Decision also specifies that third-party verified emission reduction estimates are also a necessary prerequisite to either cost-recovery or emission reductions contributing toward the Company's clean heat goals.

59. In its RRR, the Company requests that the Commission not restrict or delay recovery of its approved MTP programs such that cost recovery can occur only after it submits a final report on the project and emission reductions have been third-party verified.[21] The Company points out that although in the CHP Decision, the Commission refers to CEO advocacy in adopting these provisions, CEO proposed its criteria merely as a means to determine which MTP projects should be approved, but that in the Decision, the Commission transformed the qualification criteria into pre-cost-recovery criteria.[22]

60. The Company presents several reasons that the Commission should not apply these criteria as pre-recovery (instead of pre-approval) criteria: (1) Commission has already considered which MTP initiatives to approve and has approved commensurate budgets; (2) delayed recovery and additional reporting will disincentivize these programs; (3) the Company requires cost recovery to pursue Non-Pipeline Alternatives ("NPAs"); (4) verified emission reductions are

[21] Public Service RRR, pp. 6-8.
[22] Public Service RRR, pp. 6-7.

difficult to quantify, particularly for new construction and NPAs where the counterfactual scenarios are difficult to estimate and (5) piecemeal litigation regarding recovery of these costs will be time-consuming and inefficient.[23]

61. The Company states that it cannot reconcile this potential application of pre-recovery criteria with the Commission's finding in paragraph 229 of the CHP Decision that recovery of Vertical 2 spending through the relevant DSMCA riders is just and reasonable. Accordingly, the Company seeks reconsideration with respect to any MTP cost recovery conditions-precedent and requests that it be allowed to recover MTP costs in the same manner as other BE and DSM spending to avoid hindering these important Vertical 2 programs. The Company requests that. if the application of pre-recovery criteria was in fact the Commission's intent, the Commission should reconsider this finding as the restrictions could severely impact MTP deployment.[24]

b. Findings and Conclusions

62. We agree that delaying cost-recovery for MTP initiatives as specified in the Decision could have the negative impacts the Company describes, and so will grant the relief the Company seeks here. The Company does not need to delay cost recovery for MTP initiatives until submittal of a project's final report or independent emission reduction estimates. However, we reinforce the requirement that prior to initiating work on any MTP initiative, the Company must have articulated and documented both a clear set of objectives and a timeline for the initiative. These must be presented in an informational filing in this Proceeding (which could be a supplemental filing or accompany a CHP annual report or the next Clean Heat Plan filing,

[23] *Id*. at. 7-8.
[24] *Id*. at 7.

depending on the timing of the project). Project final reports should be included in the next CHP annual report filed pursuant to Commission Rule 4733 following the conclusion of each project. These requirements are intended to foster innovation and market transformation ,while balancing our obligation to ratepayers to ensure that funds are being spent appropriately on well-scoped and planned initiatives.

17. Approval of Advanced Mobile Leak Detection

a. Request

63. In Paragraph 170 of the CHP Decision, the Commission agreed with Staff and others that the Company should not be given accelerated cost recovery through the DSMCA for the Advanced Mobile Leak Detection ("AMLD") initiative, because of ongoing state and federal rulemakings. The Commission noted that although it was rejecting rider recovery for AMLD here, nothing prevented the Company from making the proposed AMLD investments in the normal course of business for the purpose of improving safety and reducing emissions.

64. The Company asks the Commission to reconsider this decision and allow it to invest in AMLD as part of the MTP and recover costs through the DSMCA. As support, it argues that this project is relatively small (roughly $3 million in capital spending and $1 million annually in O&M expenses) but that the potential benefits are substantial. It argues that the federal and state rulemakings may not conclude for several years, and that it makes sense to accelerate the deployment of this technology now to hasten leakage reductions, in concert with state, national and international focus on methane emissions reduction. It states further that it intends to procure technology that will comply with the expected requirements of the rulemakings. It contends that denying its request sends the wrong signal and creates a disincentive, but that support for

procurement of AMLD equipment through the MTP will allow it to gain the requisite experience now.[25]

b. Findings and Conclusions

65. We acknowledge that the requested budget for the AMLD initiative is a very small fraction of the overall CHP budget. In light of the arguments presented by Public Service in its RRR filing, as well as the evidentiary support that AMLD could result in emission reductions that could go towards the Company's clean heat target, we will characterize this initiative as a pilot project and allow no more than $4 million to be recovered for this initiative through the gas DSMCA.[26] This amount is to include O&M expenditures for leak repairs for a single year of pilot operation. The Company shall track its capital and O&M expenses as well as the actual GHG gas reductions specifically attributable to the initiative based on observed leakage values both before and after leak mitigation, and report these values in its first CHP Annual Report. That report shall include a narrative discussion of the cost-effectiveness of the incremental emission reductions enabled by AMLD in relation to other opportunities to reduce emissions from the distribution of gas to and consumption of gas by retail customers.

18. CNG Demonstration Project

a. Request

66. In paragraphs 177 and 178 of the CHP Decision, the Commission noted the numerous issues intervenors raised in regard to the Company's CNG proposal and most notably the absence of any baseline against which to measure emission reductions in the mid- and upstream

[25] Public Service RRR, pp. 8-9.

[26] Commissioner Gilman dissented to inclusion of the AMLD initiative in the inaugural CHP on the basis it is premature to provide rider recovery for an effort that is currently the subject of a rulemaking to determine appropriate standards and that these efforts could be pursued by the Company at any time under the ordinary course of business if they felt it was the best way to proceed with system safety.

gas supply sectors. The Commission rejected the proposal, but noted that there was potential merit in the concept of a market mechanism that establishes incentives for emission reductions from the gas supply chain that exceed regulatory requirements. The Commission noted that as the largest gas consumer in the state, the Company could play a uniquely powerful role in creating such incentives (in the form of a voluntary program) if the questions around the proper baseline and the monitoring and quantification of emission reductions could be credibly resolved.

67. In its RRR, the Company contends that the limited demonstration it proposed for Vertical 2 is an appropriate next step to advance the Company's and the Commission's understanding of the role CNG could play in the future. It argues that emissions from ongoing gas consumption can and should be reduced beyond state and federal requirements. Noting that the proposed demonstration's $1 million budget is less than 0.25 percent of the CHP portfolio, the Company contends that the enhanced verification and accounting methodologies the pilot would develop would provide exactly the type of information the Commission has stated it needs to determine whether or not to authorize broader CNG purchases in a future CHP proceeding. The Company emphasizes that the demonstration project will be located in Colorado, and that it would purchase CNG only if it has upstream emissions below the requirements of the Air Quality Control Commission ("AQCC") Regulation 7. The Company characterizes the pilot as a prudent, least regrets step to understand the role CNG may need to play in the future and asks that the Commission reconsider its decision and approve the pilot.[27]

b. Findings and Conclusions

68. We find that the Company has brought no new information or arguments that we did not previously consider. We see no reason to approve the proposed pilot at this time when the

[27] Public Service RRR, pp. 10-11.

record contains no information on the appropriate baseline against which any reductions could be measured and especially in light of the plethora of advocacy against CNG presented by the parties and described more fully in paragraphs 173-175 of the CHP Decision. We note that AQCC Regulation 7 will begin reducing the allowed methane emissions intensity in the near future.[28] That regulation will set a declining ceiling for the methane emissions associated with a volume of gas, but it will not determine the actual emissions intensity actually achieved by producers, which could possibly be significantly below the ceiling. Thus, it remains unclear to what degree, or even if, the emissions intensity of the initiative would exceed typical market emissions performance in light of implementation of these broader emissions reduction regulations. Additionally, even if there is some immediate emissions savings, it is not obvious that any information learned from a demonstration immediately prior to implementation of many of these obligatory emissions reduction efforts would be transferrable or provide valuable, actionable information related to CNG after the implementation of such standards. Accordingly, we reiterate the finding in our original Decision that the absence of a baseline will make it difficult or impossible to determine the size of any claimed greenhouse gas reductions, making it difficult to understand the value of the proposed pilot. Accordingly, we reject the Company's request for reconsideration on this issue.[29]

[28] Hrg. Ex. 802 (Copeland Answer), pp. 9-10.

[29] Chair Blank dissented on the basis that the relatively high cost of many of these CHP efforts, and the fact that most do not meaningfully result in lowered capital spending, the Chair remains very concerned about the future rate impacts associated with rapidly declining gas usage as ongoing capital spending gets spread over an increasingly smaller sales base. Under these circumstances, the Chair would have allowed this comparatively tiny investment in a CNG demonstration program to move forward so as to explore if there are potentially other creative and highly cost-effective ways of reducing emissions.

19. Hydrogen Blending Project

a. Request

69. In Paragraph 111 of the CHP Decision, the Commission declines to adopt any level of budget or emission reductions for hydrogen as part of the approved portfolio. In Paragraph 191 of the CHP Decision, however, the Commission approves the Company's plan to issue a request for information ("RFI") or use a similar process to identify those commercial and industrial customer partners interested in receiving blended hydrogen fuel stock. The Commission states that the Company should provide a report to the Commission at the end of the RFI period stating which commercial and industrial customers were interested in receiving blended hydrogen fuel stock, and, for each customer, whether that customer is subject to or excluded from paying toward for clean heat-related costs in its energy bill.

70. In its RRR, the Environmental Organizations request three points of clarification from the Commission on the scope of its approval of an RFI but do not challenge the Commission's overall disallowance of a budget for hydrogen or allowance of an RFI.

71. First, the Environmental Organizations request that the Commission should clarify that emission reductions from any hydrogen blending project with a commercial and industrial customer only count toward compliance with the Company's clean heat target if the customer is an existing retail customer. They argue that the statute is clear on its face that the emissions from transport customers are excluded from the baseline, so any future emission reductions should not count towards the clean heat target. The Environmental Organizations argue that transport customer's current emissions are not included in the Company's clean heat baseline, thus any

future potential emissions reductions would not qualify towards the clean heat emission reduction targets.[30]

72. Second, the Environmental Organizations request the Commission clarify that the RFI responses themselves and the report described in CHP Decision paragraph 191 be provided to all parties via e-filings, with any files designated confidential as appropriate.[31] They ask the Commission to direct Public Service to provide a report to the Commission which states which customers were interested in receiving blended fuel stock and whether the customer is subject to paying clean heat-related costs.

73. Third, the Environmental Organizations request that the Commission clarify that Public Service's next clean heat plan is the appropriate place for the Commission to approve a hydrogen project for C&I customers. The Environmental Organizations argue that due to the level of uncertainty and lack of adequate record, it would not be appropriate for the Commission to approve a hydrogen project with a commercial and industrial customer without additional process. The Environmental Organizations add that if Public Service wishes to initiate the project prior to its next clean heat plan, the Commission should direct the Company to submit a certificate of public convenience and necessity before moving forward with any hydrogen project.[32]

b. Findings and Conclusions

74. We find that it is reasonable to approve each of the Environmental Organizations' requests for clarification. First, emissions reductions from any hydrogen blending project with a commercial and industrial entity will only count toward compliance with the Company's clean heat goals if the commercial or industrial entity (a) is either currently a retail customer of the

[30] Environmental Organizations RRR, p. 10.
[31] Environmental Organizations RRR, p. 11.
[32] Environmental Organizations RRR, pp. 11-12.

Company or becomes a retail customer of the Company in the future; (b) pursues a hydrogen blending project with the Company that utilizes hydrogen that meets the statutory definition of green hydrogen[33]; and (c) contributes through rates to the Company's Clean Heat spending.

75. Second, the Company should provide both the RFI responses themselves, including which customers were interested in receiving blended fuel stock and whether the customer is subject to paying clean heat-related costs, and the report described in CHP Decision paragraph 191 all parties via e-filings.[34] We intend that granting this clarification will enable a transparent view into the market demand for hydrogen blending amongst large commercial and industrial customers in the Company's service territory in Colorado. To this end, we expect the Company to designate as much of this information as non-confidential as possible.

76. Third, if a clean-heat compliant hydrogen blending project commences with a commercial and industrial customer, the Company should utilize future clean heat plan applications to present that project for Commission approval. If the Company wishes to initiate a project prior to its next clean heat plan application, the Company should submit a certificate of public convenience and necessity before moving forward with any hydrogen project and include that project in next clean heat plan application.

[33] Section 40-3.2-108(2)(j), C.R.S., defines green hydrogen as hydrogen derived from a clean energy resource as defined in section 40-2-125.5(2)(b), C.R.S. that uses water as the source of the hydrogen. For purposes of a clean heat plan, a green hydrogen project may include associated clean energy generation, transmission, and other infrastructure, subject to commission approval.

[34] Decision No. C24-0397, paragraph 191 states "At the end of the request for information period, the Company should provide a report to the Commission stating which commercial and industrial customers were interested in receiving blended hydrogen fuel stock. This report should also include, for each interested customer, whether that customer is subject to or excluded from paying toward for clean heat-related costs in its energy bills. This will allow the Company and the Commission to better understand the intersection of customers with hard to abate end uses or those interested in a hydrogen blend and customers that are paying toward the Company's clean heat efforts."

20. Percentage of Income Payment Program

a. Request

77. In Paragraph 325 of the CHP Decision, the Commission stated that the Company should auto-enroll income qualified customers who participate in the clean heat plan income-qualified beneficial electrification (BE) program. The Commission stated that if this means the Company needs to change how it enrolls customers in PIPP or qualifies income-qualified customers for PIPP, the Company should do that to ensure the result is that all income-qualified customers who participate in the clean heat plan income-qualified BE program are eligible and enrolled in PIPP. In Paragraph 326, the Commission stated that the Company should also allocate a portion of its overall clean heat plan BE and DSM program budget toward the PIPP to ensure that there are sufficient funds for all income-qualified customers who participate in the clean heat plan income-qualified BE program to enrolled in and benefit from PIPP, but this should not draw from the 20 percent allocation to disproportionately impacted and income-qualified customer programs and should be additional to that allocation.

78. In RRR, the Company seeks clarification on two issues. First, the Company seeks clarification that the Commission's Decision is not otherwise adjusting the EAP/GAP eligibility requirements contained in the Commission's Rules, but is instead authorizing the Company to adjust its tariffs as part of a compliance filing in this proceeding in order to allow for such auto-enrollment.[35]

79. Second, the Company seeks clarification that the Commission's directive in paragraph 326 of the CHP Decision is that the Company is to, if needed, fund additional EAP and GAP benefits beyond the current cap under the Commission's Rules from the authorized Clean

[35] Public Service RRR, p. 18.

Heat budget, and that the Commission is granting any necessary waiver to do so, including a waiver of the $1.00 maximum residential bill impact for each assistance program. The Company proposes to account for these additional benefits, if used, in the DSMCA gas and electric riders for funds going to each customer account type, respectively, with the total of the two being the total reduction of Clean Heat Plan funds otherwise available. Consistent with paragraph 326 of the CHP Decision, the Company stated in RRR that it would not reduce the 20 percent of total Clean Heat Plan funds available for IQ customers. The Company notes that if the increase in enrollment due to this new program is substantial, it may reduce available Clean Heat Plan funds available for electrification and DSM programming to the extent that budget modifications or emissions reduction projections may need to be modified.[36]

b. Findings and Conclusions

80. We acknowledge the need for clarification of these points. First, we confirm that the Decision does not adjust the eligibility requirements for EAP or GAP that are contained in Commission Rules 3412(c) and 4412(c), respectively.[37] The Decision authorizes the Company to adjust its tariffs as part of a compliance filing in this Proceeding to allow for such auto-enrollment to the extent that that adjustment does not result in a monetary change to funding for these programs.

81. Second, at this time, the Commission is authorizing the Company to use Clean Heat budget – only if necessary – to "fund the incremental cost of auto-enrolling income qualified households who participate in CHP income qualified beneficial electrification efforts"[38] as

[36] Public Service RRR, pp. 18-19.
[37] The Company should not use the payment thresholds outlined in Rules 3412(e) and 4412(e) as an additional eligibility screen. Customers who meet the above criteria should be enrolled in the Company's PIPP programs regardless of their energy burden at the time of entry.
[38] EOC Statement of Position, Proceeding No. 23A-0392EG, p. 7.

proposed by Energy Outreach Colorado. At this time, the Commission is not approving payment of PIPP credits to those customers from the CHP Budget, rather only some administrative costs in completing this auto-enrollment, which we expect to be small. However, to help the Commission understand the impacts of this change to PIPP enrollment and PIPP utilization levels, the Company should track how many of its PIPP enrollments are due to CHP program participation and how much of PIPP funding is allocated to those customers. This requirement is designed to better inform the Commission's understanding of whether PIPP funding may be appropriately augmented from the CHP budget as part of future CHP proceedings. If PIPP funds are exhausted through the PIPP-eligibility facet in the CHP Decision, the Company may bring a waiver request or other pleading in the future to apply CHP funds to PIPP-eligible customers. The Commission will assess the merits of such a pleading, as well as potential alternative options, at that time.

II. ORDER

A. The Commission Orders That:

1. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C24-0397, filed on July 1, 2024, by Public Service Company of Colorado is granted in part, and denied in part, consistent with the discussion above.

2. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C24-0397, filed on July 1, 2024, by the Office of the Utility Consumer Advocate is granted in part, and denied in part, consistent with the discussion above.

3. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C24-0397, filed on July 1, 2024, jointly, by the Colorado Renewable Energy Society and the Physicians for Social Responsibility-Colorado, is denied, consistent with the discussion above.

4. The Application for Rehearing, Reargument, or Reconsideration of Decision No. C24-0397, filed on July 1, 2024, jointly, by the Natural Resources Defense Council, Sierra Club, the Southwest Energy Efficiency Project, and Western Resource Advocates ("Environmental Organizations"), is granted in part, and denied in part, consistent with the discussion above.

5. The Motion for Leave to Respond to RRR ("Motion for Leave to Respond"), filed by Environmental Organizations on July 10, 2024.

6. This Decision is effective upon its Issued Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING July 31, 2024.

(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

Rebecca E. White,
Director