

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 16A-0436E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR (1) APPROVAL OF ITS 2016 ELECTRIC RESOURCE PLAN AND (2) APPROVAL OF ITS 2018-2021 RES COMPLIANCE PLAN.

**DECISION ADDRESSING 2019 RENEWABLE
ENERGY STANDARD COMPLIANCE REPORT**

Mailed Date: August 26, 2020
Adopted Date: August 19, 2019

I. BY THE COMMISSION

A. Statement

1. This Decision grants Black Hills Colorado Electric, LLC's (Black Hills or Company) Motion for Approval of 2019 RES Compliance Report filed on May 29, 2020, and finds that the Company complied with the Renewable Energy Standard (RES) requirements in 2019.

2. On May 29, 2019, Black Hills filed its 2019 RES Compliance Report pursuant to Rule 3662 of the Commission's RES Rules, 4 *Code of Colorado Regulations* 723-3-3650, *et seq.* The Commission issued a notice of the Company's filing of its RES Compliance Report on June 3, 2020 and thereby established a 30-day period for interested persons to submit comments in response to the RES Compliance Report. No person filed comments.

3. 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.

4. On August 3, 2020, Staff timely filed its review of Black Hills' 2019 RES Compliance Report.

B. Discussion and Findings

5. In accordance with Colorado's Renewable Energy Statute (§ 40-2-124(1)(c)(I)(C), C.R.S.), Black Hills was required to generate 20 percent of its retail electric sales from eligible energy resources. The Company's retail sales for 2019 were 1,954,359 MWh. Therefore, the 20 percent RES requirement is 390,872 MWh. Pursuant to the statute, Black Hills was required to generate 2 percent of its retail electric sales (or 39,087 MWh) from renewable distributed generation (DG) resources. At least one half of that (or 19,544 MWh) must come from retail DG resources.

6. Pursuant to Commission Rule 3659, compliance with the RES is generally demonstrated through the retirement of renewable energy credits (RECs).¹ Each REC corresponds to 1 MWh. Therefore, Black Hills was required to retire a minimum of 390,872 RECs for the 2019 compliance year or demonstrate that it caused a certain number of MWh of electricity to be generated from eligible energy resources.

7. Based on its review of Black Hills' 2019 RES Compliance Report, Staff concludes that the Company retired sufficient RECs to comply with all aspects of the RES for 2019. Therefore, no hearing is necessary.

¹ Under Rule 3652, each REC is associated with 1 MWh of generation from a renewable energy resource. However, pursuant to Rule 3654, each MWh of renewable energy generated in Colorado provides 1.25 RECs for the purpose of demonstrating compliance with the RES.

8. We find that Black Hills is in compliance with the RES statute and rules for 2019. We find that Black Hills may carry forward a total of 61,688 RECs to meet RES requirements in future years or for any other legal purpose, in accordance with the Commission's RES Rules.

II. ORDER

A. The Commission Orders That:

1. The Motion for Approval of 2019 Renewable Energy Standard (RES) Compliance Report filed by Black Hills Colorado Electric, LLC (Black Hills) on May 29, 2020 is granted consistent with the discussion above.

2. Consistent with the discussion above, Black Hills is in compliance with the RES, including its distributed generation requirements, for the 2019 compliance year. Therefore, no hearing is necessary.

3. Black Hills shall carry forward the renewable energy credits in excess of those used to demonstrate compliance with the RES in 2019, consistent with the discussion above.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
August 19, 2020.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

JOHN GAVAN

MEGAN M. GILMAN

Commissioners