

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.

**COMMISSION DECISION ADDRESSING
2021 RENEWABLE ENERGY STANDARD
COMPLIANCE REPORT**

Mailed Date: October 25, 2022

Adopted Date: October 19, 2022

I. BY THE COMMISSION

1. This Decision grants Black Hills Colorado Electric, LLC's (Black Hills or Company) Motion for Approval of 2021 RES Compliance Report filed on June 1, 2022 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 Black Hills complied with the RES requirements in 2021 and that no hearing is necessary.

A. Statement

2. On June 1, 2022, Black Hills filed its 2021 RES Compliance Report pursuant to Rule 3662 of the Commission's RES Rules. The Commission issued a notice of the Company's filing of its RES Compliance Report on June 8, 2022, and thereby established a 30-day period for interested persons to submit comments in response to the RES Compliance Report. No public comments were filed.

3. Rule 3663(a)(III) of the Commission's RES Rules requires Staff of the Commission 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 1, 2022, Trial Staff of the Colorado Public Utilities Commission (Trial Staff) filed a motion requesting that the Commission extend to September 16, 2022 the deadline for Trial Staff to file its review of the 2021 Renewable Energy Standard Compliance Report filed by Black Hills Colorado Electric, LLC (Black Hills or Company) as required in Rule 4 Code of Colorado Regulations (CCR) 723-3-3663(a) of the Rules Regulating Electric Utilities.

5. At the Commissioners' Weekly Meeting on August 3, 2022, the Commission granted Trial Staff's motion.

6. On September 13, 2022, Staff filed its review of Black Hills' 2021 RES Compliance Report.

B. Discussion 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.), Black Hills was required to generate 30 percent of its retail electric sales from eligible energy resources. The Company's retail sales for 2021 were 1,920,911MWh. Therefore, the 30 percent RES requirement is 567,273 MWh. Pursuant to the statute, Black Hills was required to generate 3 percent of its retail electric sales (or 57,627 MWh) from renewable distributed generation (DG) resources. At least one-half of that (or 28,813 MWh) must come from retail DG resources.

8. Pursuant to Commission Rule 3659, compliance with the RES is generally demonstrated through the retirement of renewable energy credits (RECs).¹ Each REC

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.

corresponds to 1 MWh. Therefore, Black Hills was required to retire a minimum of 576,273 RECs for the 2021 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 Black Hills' 2021 RES Compliance Report, Staff concludes that the Company retired sufficient RECs to comply with all aspects of the RES for 2021. Staff concluded therefore; no hearing is necessary.

10. The Commission finds that Black Hills is in compliance with the RES statute and rules for 2021. Based on Staff's analysis submitted in this Proceeding, we find that Black Hills may carry forward a total of 5,499 RECs 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. The Motion for Approval of 2021 Renewable Energy Standard (RES) Compliance Report filed by Black Hills Colorado Electric, LLC (Black Hills) on June 1, 2022 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 2021 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 2021, consistent with the discussion above.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 19, 2022.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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JOHN GAVAN

MEGAN M. GILMAN

Commissioners