

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24A-0560E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE DENVER METRO TRANSMISSION NETWORK IMPROVEMENT PROJECT, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE LEETSDALE-ELATI TRANSMISSION PROJECT, AND ASSOCIATED FINDINGS OF NOISE AND MAGNETIC FIELD REASONABLENESS.

**INTERIM DECISION ORDERING FURTHER
SUPPLEMENTAL DIRECT TESTIMONY, SCHEDULING
REMOTE HEARING TO ADDRESS AN ADDITIONAL
EXTENSION OF THE STATUTORY DEADLINE
PURSUANT TO § 40-6-109.5(4), C.R.S., AND VACATING
ANSWER TESTIMONY DEADLINE**

Issued Date: May 1, 2025

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I. STATEMENT**A. Relevant Procedural Background**

1. On December 20, 2024, Public Service (“Public Service” or “the Company”) filed an Application seeking issuance of Certificates of Public Convenience and Necessity for the Denver Metro Transmission Network Improvement Project and the Leetsdale-Elati 230 kV (“kilovolt”) Underground Transmission Upgrade Project (“Application”). On the same date, Public Service filed direct testimony supporting the Application.

2. The Public Utilities Commission (“PUC”) or the (“Commission”) issued a Notice of Application Filed on December 23, 2024. The Notice set a 30-day intervention period that ran through January 22, 2025.

3. On January 6, 2025, the Colorado Office of the Utility Consumer Advocate filed a notice of intervention of right and request for hearing.

4. On January 27, 2025, Trial Staff of the Commission (“Staff”) filed a notice of intervention of right and request for hearing.

5. On January 31, 2025, the Commission issued Decision No. C25-0074-I that referred the proceeding to an Administrative Law Judge (“ALJ”). The proceeding was subsequently assigned to the undersigned ALJ. The Commission also directed Public Service to file supplemental direct testimony (“SDT”) on four topics, one of which was any analyses Public Service has conducted to evaluate potential reduction in the proposed transmission investments

that may be enabled by addressing distribution capacity with distributed generation, distributed storage, and demand-side resources located within the Denver Metro constraint.¹

6. On February 28, 2025, the ALJ issued Decision No. R25-0149-I that, among other things, added three more topics to the existing list of topics for SDT. Two of those added topics were:

b. For each of the overloads indicated in Appendix B to HE 103, Att. AWS-1, Rev. 1, please provide the number of hours in which modeling indicates each asset will exceed 100 percent of its rating. Please also characterize the degree to which overload hours on the various elements shown in the appendix overlap, for example by providing a daily histogram showing the number of overloads in each hour during days when the greatest numbers of overloads are modeled to occur.

c. Please describe or cite existing testimony describing any investigation the Company has conducted to understand the degree to which the many overloads indicated in Appendix B to HE 103 could be mitigated by increasing generation at thermal power plants located either within or north of the metro constraint during some or all of the hours of grid stress indicated in the response to the previous question.

Decision No. R25-0149-I also established March 14, 2025 as the deadline for the filing of the SDT, as recommended by the parties.

7. On March 14, 2025, Public Service filed the requested SDT.

8. On April 2, 2025, the ALJ issued Decision No. R25-0245-I that scheduled a remote technical conference on April 8, 2025 to address the lack of evidence in the record concerning “whether the overloads presented in Appendix B of Hearing Exhibit 103, Attachment AWS-1 persist for a single hour, for 50 hours, or for 500 hours, []or whether an alternate set of dispatch assumptions operating during a limited set of critical hours might alleviate a significant number of these overloads, without meaningfully impairing the Company's ability to achieve its emission

¹ Decision No. C25-0074-I at pp. 5-6 (¶¶ 18-21).

reduction mandate.”² Decision No. R25-0245-I stated that the technical conference would further investigate “the degree to which modeling of a limited set of ‘snapshots in time’ with altered dispatch and load assumptions could supplement the record to allow the parties and the ALJ to gain a better understanding of the durability of the need for the transmission projects proposed in the Company's Application.”³ Decision No. R25-0245-I also required any party with a scheduling conflict to confer with the other parties and then file a Motion to Reschedule the Technical Conference to a date that worked for all parties.

9. On April 7, 2025, Public Service filed an Unopposed Motion to Reschedule Technical Conference, Amend Procedural Schedule, and for Waiver of Response Time (“Unopposed Motion”) in which Public Service formally moved to vacate and reschedule the technical conference to April 22, 2025 at 9:00 a.m. Public Service also requested to amend the procedural schedule to change the due date for answer testimony from May 2, 2025 to May 9, 2025. Finally, Public Service stated that the parties reserved the right to request further amendments to the procedural schedule if the ALJ orders further SDT or “modeling development” as a result of the technical conference.

10. On April 8, 2025, the ALJ issued Decision No. R25-0264-I that vacated and reset the technical conference to April 22, 2025 at 9:00 a.m.

11. On April 22, 2025, the remote technical conference took place as scheduled. At the conclusion, the ALJ informed the parties that an interim decision would be forthcoming if the ALJ decided to order further SDT. This is that interim decision.

² Decision No. R25-0245-I at 5 (¶ 12).

³ Decision No. R25-0245-I at 5 (¶ 13).

B. Additional SDT

12. Based on the information addressed at the remote technical conference, the ALJ will order Public Service to provide additional SDT on the following topics.

1. Duration of Overloads

13. To provide insight into the duration of the overloads exhibited in Appendix B of Hearing Exhibit 103, Att. AWS-1 (Rev.1) (hereafter referred to as “the Study”), Public Service must replicate the analysis using identical dispatch assumptions as shown in Table 8 on p. 38 of that document, but using loads at the 5th, 50th, 100th, and 200th highest load hours in each year of the analysis rather than at the peak hour.

2. Impact of Generation Dispatch Assumptions

14. To provide insight into the impact of the generation dispatch assumptions Public Service employed in Table 8 of the Study, Public Service must replicate the analysis with three different dispatch assumptions. First, Public Service must retain the same portfolio of new generating resources procured in Proceeding No. 21A-0141E and existing thermal generators used in the Study, but must also consider dispatching the combustion turbines at both Valmont and Ft. Lupton and the energy storage resources within and north of the Denver Metro area. Second, Public Service must assume dispatch levels for the non-renewable generation that are significantly higher percentages of their net dependable capacities than those used in the Study. The output of each thermal generator under each load condition should be based on unit economics and be consistent with a realistic and reliable system dispatch with a goal of minimizing transmission overloads during the hours under study. Third, Public Service must assume that thermal generation and storage are dispatched to balance load, while curtailing wind generation as necessary to mitigate overloads.

15. Public Service must use these revised assumptions to analyze the two system operating scenarios presented in Table 8, namely, the Gross Peak Demand – Summer Mid-Day, Max Solar (“Gross Peak Demand”) and the Twilight Evening Demand – Summer Evening, No Solar (“Twilight Evening Demand”) scenarios, and also a limited number of other scenarios. As to the Gross Peak Demand scenario, Public Service must evaluate overloads at peak load, but also at the 5th, 50th, 100th and 200th highest load hours in each year included in the Study. As to the Twilight Evening Demand scenario, Public Service must evaluate overloads at the following two load levels but with no solar output: (a) the same twilight load used in the Study; and (b) 95 percent of that load. In the results of the analyses of both scenarios, Public Service must identify the generating levels in MW for each of the thermal generators and the dispatch level in MW for each of the storage resources under each load condition in each year.

3. Impact of Assumptions on Ability to Comply with Statutorily-Mandated Emissions Reductions

16. To provide insight into the impact of the altered dispatch assumptions regarding the use of renewables, storage, and thermal generation, Public Service must develop a rough approximation of the impact on its carbon dioxide emissions, both in absolute and relative terms, using the new assumptions described above for dispatch of thermal and renewable generation and storage during all of the 200 highest load hours in each year of the Study. Public Service must provide a narrative description of the methodology used and include all relevant work papers.

4. Power-Flow Assumptions Employed in Study

17. Public Service must clarify how the Study modeled power flow on the Colorado Power Pathway in 2025 and 2026, in advance of when Segments 4 and 5 are placed into service. Did the Study assume that Segments 4 and 5 would be in service in 2025 and 2026? If not,

(a) what are the generation source(s) that cause the overloads in 2025 and 2026 shown in the Study; and (b) have the overloads shown in the Study for 2025 and 2026 occurred in the recent past? Public Service must include a description of power flow pathways from any Pathway-interconnected generators that contribute to the overloads shown in the Pathway Stress scenario on page 50 of the Study.

5. Summary

18. The point of these analyses is to determine how much renewable generation must be curtailed when the load is balanced by the increased thermal generation and use of storage described above, in order to eliminate or at least mitigate the overloads shown in the Study to a manageable level without undertaking at least some of the projects in the Application. Put differently, can a balance be achieved between increased dispatch of thermal generation and storage and curtailment of renewables during a limited set of high-load hours, that sufficiently mitigates the overloads under the conditions specified in the Study to at least substantially postpone the need for some or all of the upgrades requested in the Application? The third topic for additional SDT explores the impact of this potential tradeoff between increased thermal generation and use of storage and decreased reliance on renewable generation on Public Service's ability to comply with its statutorily-mandated emissions reductions.

19. The ALJ questions whether the current record includes sufficient evidence regarding alternatives to the upgrades proposed in the Application. As the parties are aware, an applicant seeking a CPCN must prove that it evaluated feasible alternatives to the proposed facilities or improvements that it seeks permission to build.⁴ The SDT outlined in this Interim Decision is designed to supplement the record on that essential element of proof.

⁴ Decision No. C22-0780 issued on Dec. 6, 2022 in Proceeding No. 21A-0472G at pp. 4-5 (¶ 10).

20. The need for a fulsome record on alternatives is important in every CPCN application proceeding, but particularly here in light of the Commission’s concern with the high estimated cost of transmission upgrades in the Denver metro area to accommodate the renewable energy produced by the portfolio approved in Proceeding No. 21A-0141E. In Phase I of that proceeding, Public Service initially estimated the cost of such upgrades at approximately \$250 million, but then increased that estimate to \$2.2 billion in Phase II. The Commission stated that it had “serious concerns” about these estimated costs and their escalation during Proceeding No. 21A-0141E, and further emphasized that “[s]ubstantially more process will be required to fully assess the need for, alternatives to, and cost of remedial actions on the transmission grid in light of” the portfolio approved in that proceeding.⁵

21. Consistent with statements made by Public Service at the remote technical conference, the deadline for Public Service to file the SDT described above is May 21, 2025.

C. Hearing to Address Extraordinary Circumstances Pursuant to § 40-6-109.5(4)

22. Section 40-6-109.5(4), C.R.S. states that “[t]he commission, in particular cases, under extraordinary conditions and after notice and a hearing at which the existence of extraordinary conditions is established, may extend the time limits specified in subsections (1) and (2) of this section for a period not to exceed an additional one hundred thirty days.” Here, the time limit for a decision in this proceeding has already been extended pursuant to § 40-6-109.5(1), C.R.S. in Decision No. R25-0149-I. Accordingly, the ALJ provides notice that a hearing will be

⁵ Decision No. C24-0052 issued on Jan. 23, 2024 in Proceeding No. 21A-0141E at p. 64 (¶ 159). *See also id.* at p. 65 (¶ 161) (in waiving Commission Rule 3206, and thereby requiring Public Service to file this Application, holding that “we emphasize that it is incumbent upon Public Service to provide a fulsome and comprehensive description of all transmission projects necessary to accommodate power delivery and maintain reliable service from the approved” Clean Energy Plan).

scheduled for May 15, 2025 at 9:00 a.m. at which the existence of extraordinary circumstances justifying a further extension of the deadline will be addressed.

23. The parties previously stated that they either support or do not oppose a further extension of 30 days pursuant to § 40-6-109.5(4), C.R.S. The parties support such an extension because they requested the ALJ to schedule the hearing for July 16-18, 2025, approximately 30 days after the latest date for the hearing to end that would leave sufficient time for the Commission to complete its decision within the deadline imposed by § 40-6-109.5(1), C.R.S. According to the parties, the extraordinary circumstances justifying the extension under § 40-6-109.5(4), C.R.S. are the Commission's docket congestion and the conflicting schedules of the parties' counsel and witnesses prior to mid-July 2025.

24. The parties are on notice that the ALJ will consider a further extension of the deadline up to the 130 days permitted by § 40-6-109.5(4), C.R.S. at the May 15, 2025 hearing.

D. Deadline for Answer Testimony

25. The current deadline for answer testimony is May 9, 2025. In light of the decision above to order further SDT to be filed by May 21, 2025, the deadline for answer testimony will be vacated. A new deadline for answer testimony will be addressed at the hearing on May 15, 2025.

II. ORDER

A. It Is Ordered That:

1. For the reasons stated above, a remote hearing to address a further extension pursuant to § 40-6-109.5(4), C.R.S. is scheduled as follows:

DATE: May 15, 2025

TIME: 9:00 a.m.

WEBCAST: Commission Hearing Room

METHOD: Join by video conference using Zoom at the link to be provided in an email from Commission Administrative Staff⁶

2. Nobody should appear in-person for the remote hearing.
3. The deadline for Public Service Company of Colorado to file the supplemental direct testimony addressed above is May 21, 2025.
4. The deadline for the filing of answer testimony established in Decision No. R25-0264-I is vacated.
5. This Decision is effective immediately.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

CONOR F. FARLEY

Administrative Law Judge

ATTEST: A TRUE COPY

Rebecca E. White,
Director

⁶ Additional information about the Zoom platform and how to use the platform are available at: <https://zoom.us/>. All are strongly encouraged to participate in a test meeting prior to the scheduled hearing. See <https://zoom.us/test>.