#### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 09A-324E

IN THE MATTER OF APPLICATION OF TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC. (A) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE SAN LUIS VALLEY-CALUMET-COMANCHE TRANSMISSION PROJECT, (B) FOR SPECIFIC FINDINGS WITH RESPECT TO EMF AND NOISE, AND (C) FOR APPROVAL OF OWNERSHIP INTEREST TRANSFER AS NEEDED WHEN PROJECT IS COMPLETED.

DOCKET NO. 09A-325E

IN THE MATTER OF APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO (A) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE SAN LUIS VALLEY TO CALUMET TO COMANCHE TRANSMISSION PROJECT, (B) FOR SPECIFIC FINDINGS WITH RESPECT TO EMF AND NOISE, AND (C) FOR APPROVAL OF OWNERSHIP INTEREST TRANSFER AS NEEDED WHEN PROJECT IS COMPLETED.

### POLE CANYON TRANSMISSION, INC.'S POST-HEARING BRIEF

"We are working on a tremendous energy challenge facing us today: transmission – a way to move electrons from clean energy sources to where they're in greatest demand. In Colorado – indeed in much of the country – many of our best renewable resources are a long way from the places that require the most electricity. We need a new effort at collaboration to ensure wind power on the Eastern Plains and solar power in the San Luis Valley can travel to the load centers in the Front Range. We must work more closely together and plan with greater foresight to ensure needed transmission for utility-scale renewable projects."

Governor Bill Ritter, Presentation to the Third Annual New Energy Economy Conference, Oct. 20, 2009 (Exhibit 70 at p. 3).

#### I. Introduction

Consistent with the Governor's call to action, the General Assembly has declared that it is the policy of the State of Colorado to promote the large-scale development of renewable energy resources. *See, e.g.*, C.R.S. § 40-2-124. For its part, the Colorado Public Utilities Commission has declared, "While the threat of climate change will likely mean serious economic consequences for continued carbon emissions, the problem also presents an opportunity for states like Colorado with vast solar, wind, and geothermal resources to develop and export power to areas with fewer renewable resource options. We recognize that there are a number of issues, including transmission, energy storage, and integration of intermittent resources that must be overcome; on the other hand, it is imperative that we enact policies that allow Colorado to realize its future as a leader in renewable resources." Exhibit 60 at p. 8, ¶ 13 (emphasis added).

The transmission projects proposed by Tri-State Generation and Transmission and Public Service Company of Colorado in this proceeding are fully consistent with these clear and consistent statewide policies. If approved, the projects will allow for the wheeling of vast amounts wind power from the Eastern Plains and solar power from the San Luis Valley to the Front Range. As such, Pole Canyon Transmission fully endorses and supports the proposed projects and urges the Commission to approve the requested Certificates of Public Convenience and Necessity.

#### II. Legal Standard

"No public utility shall begin the construction of a new facility, plant, or system or of any extension of its facility, plant, or system without first having obtained from the commission a certificate that the present or future public convenience and necessity require or will require such

construction." C.R.S. § 40-5-101(1). In the specific context of a transmission line case, the Commission has determined that this statute is satisfied where the Commission believes that increased transmission capacity will <u>likely be required in the future</u> to meet new loads or system needs. *See* Exhibit 91 at p. 4, ¶ 11.

### III. Analysis

# A. There Is No Dispute Regarding The Need For 3 Of The 4 Proposed Segments Of The Project.

"There are four major components of the San Luis Valley to Calumet to Comanche
Transmission Project: (1) the San Luis - Calumet Transmission Segment; (2) the Calumet Comanche Transmission Segment; (3) the Calumet Substation; and (4) the Calumet Walsenburg Transmission Segment. In general, the Project involves construction of three new
transmission line Segments, each from an existing substation to a new Calumet Substation,
which is located north of the Walsenburg Substation." Exhibit 2 at p. 2. With respect to the four
segments, the parties contesting the CPCN have only raised objections and concerns with respect
to the San Luis – Calumet segment. *See, e.g.*, Exhibit 33, Answer Testimony of James
Dauphinais at p. 3, l. 8-11. Indeed, even Mr. Dauphinais agrees that the other three segments
will (a) allow for the addition of 1000 MW of new wind generation into the new Calumet
substation and (b) allow for the removal of the Comanche-Walsenburg 230 kv Remedial Action
Scheme removing the likelihood of automatic load shedding on the Tri-State system. *Id.* at p. 6.
Neither Mr. Dauphinais nor any other party identifies any alternatives to these three segments.

Rather, every party to this proceed either supports or does not contest the testimony and exhibits of Tri-State and PSCo with respect to the need for and justification for the Calumet - Comanche Transmission Segment, the Calumet Substation, and the Calumet - Walsenburg

Transmission Segment. Therefore, the Commission should approve those portions of the Applications as filed.

# B. Tri-State and PSCo Should Be Granted A CPCN For the San Luis-Calumet Segment.

As PSCo witness Gerald Stellern explained, "The Project is consistent with our vision of creating a transmission highway for delivering cost effective and environmentally friendly energy resources to Colorado consumers. ERZs 4 and 5 have been identified as having significant potential for the development of wind and solar resources in particular. The Company has also identified the Project as a high priority project among those identified in the November 24, 2008 informational filing. Any significant development of new electric generation capacity in ERZs 4 and 5 requires the expansion of transmission capacity between southern Colorado and the Denver metro area. Thus, the Project is essential to tapping solar resources from ERZs 4 and 5 consistent with the 2007 Colorado Resource Plan."

Pertinent to this case, in Phase I of the 2007 Resource Plan the Commission approved the "soft-targets" of 600 MW of solar power with storage to be acquired at no more than 200 MW per year. Exhibit 60 at p. 22, ¶ 63. Then in Phase II of the 2007 Resource Plan the Commission decided, "We note that concentrating solar with storage consistently provided lower [present value of revenue requirement] costs that other Section 123 resources. Further, we find that this technology fits well into the definition of Section 123 resources, as it has been implemented commercially in a large number of locations, but not at the scale proposed in the bids. Further, this technology may have great promise for the future, as it overcomes the intermittent barrier for renewable resources. It is true that the levelized costs for resources involving this technology are slightly higher than [combined cycle] gas bids, but it presents significant Section 123 benefits

including reduction of carbon emissions and dispatchability of renewable resources. We therefore approve the concentrating solar thermal with storage aspect of the portfolio preferred by Public Service, which includes bid SC04." Exhibit 59 at p. 20-21; ¶¶ 50-51.

"Colorado's best solar energy resources ('highest incidence of direct normal insolation of solar energy') are in the San Luis Valley." Exhibit 70 at p. 61. However, based on an analysis performed by Staff witness Dominguez, the maximum amount of new generation in the Valley that could be exported during minimum load conditions by existing transmission facilities is 65 MW. *See* Exhibit 39, Cross Answer Testimony of Mr. Dominguez at p. 4, 1, 4-10.

Therefore, given the Commission's decisions in Phases I and II of the 2007 Resource Plan to greatly increase solar generation capabilities in Colorado, the fact that the San Luis Valley is the best place to locate utility-scale solar resources, and the limits of the current transmission system, the Commission must conclude in this case that new transmission capacity out of the San Luis Valley is likely to be required in the future.

Pole Canyon understands that parties such as Colorado Open Lands have raised concerns with respect to environmental impacts on conservation easements associated with one of the potential routes of the proposed San Luis – Calumet line. *See, generally,* Exhibit 27, Answer Testimony of Mr. Pike. While concerns about impacts on environmentally protected or sensitive areas certainly should be considered by the Commission, in this case they can be easily remedied by instructing Tri-State and PSCo to route the new San Luis to Calumet line so as not to cross any conservation easement. What is more, Pole Canyon would urge the Commission to apply the same considerations to the extent proposed alternative routes identified by Mr. Dauphanais must cross National Forest Service lands.

Pole Canyon also understands that Mr. Dauphanais on behalf of the Blanca and Trinchera Ranches has identified possible alternatives to the proposed San Luis to Calumet line. While Pole Canyon did not endeavor to conduct their own analysis of the relative pros and cons of these alternatives, Pole Canyon would urge the Commission to rely upon the unbiased analysis and expert testimony of Staff's witness Mr. Dominguez who considered all of the different alternatives and still concluded that the best route from a transmission planning perspective was the one proposed by Tri-State and PSCo. *See, generally,* Exhibits 37 (Answer Testimony of Mr. Dominguez) and 39.

#### IV. Conclusion

For all of the reasons discussed above, Pole Canyon urges the Commission to accept and approve the CPCN Applications as filed by Tri-State and PSCo. As fully described by the Tri-State and PSCo witnesses, the proposed transmission facilities will greatly expand the ability of both PSCo and Tri-State to bring wind and solar energy from the areas where those resources are the best – Eastern Colorado and the San Luis Valley – to the load centers in the Front Range. As such, there is a compelling public need and convenience for the proposed facilities.

Governor Ritter and the General Assembly have called on the Commission to be a leader in the cause of expanding the pool of cost-effective renewable resources that can be developed and constructed in Colorado. By granting these Applications the Commission would be doing just that.

# Dated this 25th day of February, 2010.

# Respectfully submitted,

# /s Thorvald A. Nelson

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## **CERTIFICATE OF SERVICE**

#### 09A-324E and 09A-325E

I hereby certify that the original and seven (7) copies of the foregoing **POLE CANYON TRANSMISSION, INC.'S POST-HEARING BRIEF** and a cd were hand-delivered this 25th day of February, 2010 to:

Doug Dean, Executive Director Public Utilities Commission 1560 Broadway, Suite 250 Denver, CO 80202

and copies were served electronically on all Parties on this service list.

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