

Decision No. R12-1431

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

DOCKET NO. 11M-872E

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IN THE MATTER OF BLACK HILLS CORPORATION SENATE BILL 07-100  
DESIGNATION OF ENERGY RESOURCE ZONES AND TRANSMISSION EXPANSION  
PLAN.

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DOCKET NO. 11M-873E

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IN THE MATTER OF PUBLIC SERVICE COMPANY OF COLORADO SENATE  
BILL 07-100 DESIGNATION OF ENERGY RESOURCE ZONES AND TRANSMISSION  
PLANNING REPORT.

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DOCKET NO. 12M-102E

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IN THE MATTER OF COMMISSION RULE 3627 RELATED TO ELECTRIC  
TRANSMISSION FACILITIES PLANNING, 4 CODE OF COLORADO REGULATIONS  
723-3.

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**RECOMMENDED DECISION OF  
HEARING COMMISSIONER  
JAMES K. TARPEY  
ADDRESSING THE 2012 TEN-YEAR  
TRANSMISSION PLAN**

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Mailed Date: December 13, 2012

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**I. STATEMENT**

**A. Procedural History**

1. On February 1, 2012, Public Service Company of Colorado (Public Service); Black Hills/Colorado Electric Utility Company, L.P., doing business as Black Hills Energy (Black Hills); and Tri-State Generation and Transmission Association, Inc. (Tri-State) (collectively, Utilities) filed with the Commission, a joint Ten-Year Transmission Plan for the State of Colorado (Transmission Plan or Plan). The Utilities filed this Plan pursuant to Rule 3627 of the Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* 723-3. In

addition, on October 31, 2011, Public Service and Black Hills each filed their Senate Bill 07-100 reports (SB 100 reports), pursuant to § 40-2-126(2), C.R.S.<sup>1</sup>

2. By Decision No. C12-0178, mailed February 21, 2012, the Commission consolidated the dockets pertaining to each of the three filings and designated Docket No. 12M-102E as the primary docket.

3. By Decision No. C12-0199, mailed February 27, 2012, the Commission invited all interested parties to file comments on the three filings on or before March 26, 2012 and directed the Utilities to respond to these comments on or before April 20, 2012. Further, the Commission scheduled a workshop for May 17, 2012.

4. On March 26, 2012, Colorado Independent Energy Association (CIEA); Blanca Ranch Holdings, LLC, and Trinchera Ranch Holdings, LLC; Kiyan, LLC; Western Resource Advocates (WRA); the Governor's Energy Office; and Interwest Energy Alliance filed their comments. On April 20, 2012, the Utilities filed response comments.

5. By Decision No. C12-0491-I, mailed May 8, 2012, the Commission posed certain questions to the Utilities and modified the scope of the workshop to address these questions. The Commission also designated Commissioner James Tarpey as the Hearing Commissioner for the May 17, 2012 workshop.

6. During the workshop held on May 17, 2012, the Hearing Commissioner ordered the Utilities to file responses to the additional questions presented by Commission Staff, on or before May 31, 2012, and Narrative Summaries to the Plan on or before July 2, 2012. Pursuant

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<sup>1</sup> Tri-State is not an electric utility subject to rate regulation by the Commission and is not subject to the requirements listed in § 40-2-126(2), C.R.S.

to that order, the Utilities timely filed their responses to these additional questions and Narrative Summaries.<sup>2</sup>

7. By Decision No. C12-0791-I, mailed July 13, 2012, the Commission scheduled an additional workshop for July 25, 2012. The Commission also designated Commissioner Tarpey as the Hearing Commissioner for this docket.

8. During the workshop held on July 25, 2012, the Hearing Commissioner solicited statements of position (SOPs) from the Utilities and all other interested parties. By Decision No. R12-0896-I, mailed August 2, 2012, at ¶¶ 5-8, the Hearing Commissioner listed the topics to be addressed in the SOPs, including a response to a public comment filed on July 24, 2012.<sup>3</sup> The Hearing Commissioner set August 29, 2012 as the deadline for filing SOPs and September 14, 2012 as the deadline for filing response SOPs.

9. On August 29, 2012, Public Service, Black Hills, Tri-State, WRA, and CIEA filed their SOPs. On September 14, 2012, Public Service, Black Hills, and Tri-State filed their response SOPs.

## **B. Background**

### **1. Transmission Planning Proceedings**

10. The purpose of the transmission planning rules promulgated in Docket No. 10R-526E is to establish a process to coordinate the planning for additional electric

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<sup>2</sup> On July 2, 2012, Public Service filed a motion for an extension of time until July 9, 2012 to file its Narrative Summary and the Hearing Commissioner granted that request. Decision No. R12-0791-I, mailed July 13, 2012.

<sup>3</sup> Mr. Duane Braunagel, a former member of the Commission Staff, filed a public comment in this docket on July 24, 2012. The Hearing Commissioner clarifies that Mr. Braunagel submitted his public comment solely on his own behalf and that he does not represent the Commission or its Staff.

transmission in Colorado in a comprehensive, transparent, statewide basis. This process should take into account the needs of all stakeholders. Rule 3626.

11. In initiating the rulemaking in Docket No. 10R-526E, the Commission concluded that both statewide coordinated transmission planning and meaningful involvement in such planning by stakeholders and the Commission were essential, due to relatively recent legislative and policy changes impacting transmission planning. In addition, the Commission found that an effective transmission planning approach needs to be long-term and proactive rather than just-in-time and reactive. Decision No. C10-0797, mailed July 28, 2010, at ¶ 4.

12. In Docket No. 10R-526E, the Commission sought to accomplish the following objectives: (1) closer coordination of electric generation and transmission planning; (2) availability of comprehensive transmission plans to all stakeholders, prepared in a manner that is transparent and takes into account their input; and (3) streamlining of the proceeding involved with applications for certificates of public convenience and necessity (CPCNs) for transmission projects. *Id.* The Commission noted that it has an obligation to ensure that proper transmission planning is taking place in Colorado and that the transmission system is sufficient to satisfy the needs of the Colorado citizens. Decision No. R11-0077, mailed January 21, 2011, at ¶ 9.

13. The transmission planning rules require Public Service, Tri-State, and Black Hills to file their transmission plans with the Commission biennially, starting February 1, 2012. The Commission directed the Utilities to demonstrate compliance with certain requirements and to include in these filings the information listed in Rules 3627(b) through (d). The Commission explained that the information filed should be sufficient to allow the Commission Staff and other interested parties to understand what transmission projects each utility is proposing and the

reasons for each project; the extent to which each utility has coordinated its plans with all transmission providers; and the stakeholder outreach that was undertaken by each utility. The Commission also directed each utility to provide stakeholders, including government agencies, an opportunity for meaningful participation in its transmission planning process, pursuant to Rule 3627(g). *Id.*, at ¶¶ 11-14.

14. The Commission explained that, following workshops and/or hearings, it will be issuing a decision to address compliance with the Rules, as well as the adequacy of the existing and planned transmission facilities in the state to meet all present and future needs in a reliable manner. In this Decision, the Commission will rule on the adequacy of the Plan, address public policy goals and factors relevant to its review, and will provide direction regarding changes that may be needed and the reasons why. Finally, the Commission will be providing policy guidance for the next biennial filings by each utility, pursuant to Rule 3627(h). *Id.*, at ¶¶ 15, 84.

15. In Docket No. 10R-526E, the Commission clarified that in any subsequent CPCN application, the ten-year transmission plans will not carry a rebuttable presumption of need for transmission projects contained in the plans. In Decision No. R11-0077, mailed January 21, 2011, the Hearing Commissioner noted that the Commission planning process should not be categorized as either informational only (and not constituting a presumption of need) or adjudicatory (and constituting a presumption of need). Rather the weight given to the Commission transmission planning proceeding in a subsequent CPCN filing “will depend primarily upon the quality of the information provided, the nature of the stakeholder outreach that has taken place and whether circumstances have changed between the Commission transmission planning proceeding and the CPCN filing.” *Id.*, at ¶ 16. Additionally, the Commission explained that, given sufficient documentation in the biennial ten-year transmission

plan for the project under review and assuming the relevant circumstances have not changed, the applicant may rely substantively on the information contained in the plan and the Commission's decision on the review of that plan to support its application. *Id.*, at ¶ 85. The Commission found that this flexible approach was necessary because the biennial plans may contain a variety of transmission proposals, at various stages of development. Hence, an all or nothing "presumption of need" standard would not be appropriate. Decision No. C11-0318, mailed March 23, 2011, at ¶¶ 22-23.

## 2. Senate Bill 07-100 Proceedings

16. SB 07-100 requires rate-regulated electric utility companies, on or before October 31 of each odd-numbered year, to do the following:

- (a) Designate energy resource zones;
- (b) Develop plans for the construction or expansion of transmission facilities necessary to deliver electric power consistent with the timing of the development of beneficial energy resources located in or near such zones;
- (c) Consider how transmission can be provided to encourage local ownership of renewable energy facilities, whether through renewable energy cooperatives as provided in section 7-56-210, C.R.S., or otherwise; and
- (d) Submit proposed plans, designations, and applications for certificates of public convenience and necessity to the commission for simultaneous review[.]

Section 40-2-126(2), C.R.S.

17. Black Hills filed (as Aquila) its first SB 100 report on November 1, 2007, in Docket No. 07M-454E. It filed its second SB 100 report on October 30, 2009 in Docket No. 09M-789E. Black Hills filed its third SB 100 report on October 31, 2011 in Docket No. 11M-872E. The third report does not request any new CPCNs for transmission facilities for simultaneous review with the submittal. Pursuant to § 40-2-126(2), C.R.S., Black Hills identified two new Energy Resource Zones (ERZs) for inclusion in the 2011 SB 100 study.

ERZ 1 is composed of the local area surrounding the Busch Ranch wind project to the south of Pueblo, Colorado. ERZ 2 is comprised of the area surrounding the proposed solar photovoltaic generation project to the west and south of La Junta, Colorado. Black Hills identified these two new ERZs as potential development sites for renewable resources within or near its service territory. Black Hills claims that the proposed transmission projects will facilitate renewable resource development in these zones in excess of what can be accommodated by Black Hills' existing transmission system.

18. Public Service filed its first SB 100 report on October 31, 2007 in Docket No. 07M-446E and its second SB 100 report on October 30, 2009 in Docket No. 09M-790E. Its most recent SB 100 report, filed on October 31, 2011 in Docket No. 11M-873E, does not request any CPCNs for transmission facilities for simultaneous review with the submittal. Public Service has five ERZs. Energy Resource Zones 1, 2, 3, and 5 cover from the front range east to the Colorado border. Energy Resource Zone 4 covers the south-central portion of the state. Public Service has not proposed any new ERZs in its most recent SB 100 report.

19. SB 100 requires the Commission to approve a utility's application for a CPCN for the construction or expansion of transmission facilities within 180 days if certain findings are made. However, as discussed above, neither Public Service nor Black Hills requested a CPCN approval in their 2011 SB 100 filings.

**C. General Permitting and Siting Processes for Electric Transmission Projects**

20. Electric utilities may be required to obtain all easements and approvals from local, state, and federal agencies, as well as private property owners, that own property or have jurisdiction over property within a given transmission line easement. A comprehensive transmission plan legitimized by an early and comprehensive stakeholder outreach process on the

part of utilities may serve as an important and useful component of the approval process. The need for a particular government approval depends upon the scope of a given transmission project and its intended routing.<sup>4</sup>

21. The Colorado Coordinated Planning Group (CCPG) provides an initial venue for general transmission alternatives to be discussed. CCPG is a planning forum which operates to ensure joint planning, development, and operation of the high voltage electric transmission system in the Rocky Mountain region of the Western Electricity Coordinating Council (WECC).<sup>5</sup> CCPG also provides a technical forum to complete reliability assessments, develop joint business opportunities, and accomplish coordinated planning under the single-system planning concept.

22. If the utility proposes to construct a project on federal lands, additional approval by the Bureau of Land Management, the National Park Service, the U.S. Forest Service, the U.S. Fish and Wildlife Service, and the U.S. Army Corps of Engineers, among many other federal agencies, may be required. The federal agency involved will typically begin its approval proceedings by holding scoping meetings. These scoping meetings will provide an opportunity for the agency to review the merits of a project and to inform the stakeholders of the technical specifications of the project (*e.g.*, voltage) and routing alternatives.<sup>6</sup> The scoping meetings may provide the first opportunity for state and local jurisdictions, such as cities and counties, to provide input to federal agencies regarding the location of the project. This input is important

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<sup>4</sup> The utilities generally must obtain a Certificate of Public Convenience and Necessity (CPCN) from the Commission (or a ruling that no CPCN is required) before any federal, state, or local government processes are initiated.

<sup>5</sup> Pursuant to the CCPG Charter, the CCPG is a planning forum which operates to assure a high degree of reliability of joint planning, development, and operation of the high voltage transmission system in the Rocky Mountain Region of the Western Electricity Coordination Council. It provides a technical forum to complete reliability assessments, develop joint business opportunities, and accomplish coordinated planning under the single-system planning concept. The utilities that file the Ten-Year Transmission Plan are all members of CCPG.

<sup>6</sup> The utility may propose several alternative routes in the initial stage of developing a typical transmission project, narrowing these alternatives as development progresses.

because federal agencies may not consider the effects on property adjacent to federal land, thus these agencies could essentially create a *de facto* route as they issue permits and rights-of-way for routes on their land. Other stakeholders representing environmental, financial or other interests also may participate. The agency ultimately will issue a permit allowing the utility to develop the project along a specified route, with or without conditions, or will deny such a permit.

23. Finally, states, cities, and counties, also play an iterative role in the siting of transmission projects located within their jurisdictions. State agencies involved in geologic hazards and floodplains may be contacted. Further, utilities must obtain some form of land use approval from every local jurisdiction that the proposed project will cross. The local permitting processes typically involve two steps. First, a planning commission within a local jurisdiction (for example, a county) will review the project and in turn make a recommendation to the board of county commissioners. Second, the board of county commissioners will ultimately issue a permit allowing the utility to construct its proposed project along a specified route, with or without conditions, or will deny such a permit.<sup>7</sup> Typically, this approval will specify a corridor wider than the actual required width, in order to allow the utility the flexibility to incorporate potential siting and design constraints (irrigation canals, existing structures, and roadways, among others) into construction.

24. Throughout the process of obtaining the necessary federal, state, or local permits, the utility also performs preliminary assessments related to costs of acquiring rights-of-way. In

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<sup>7</sup> If a local government entity denies a permit or application of a public utility that relates to the location, construction, or improvement of a major electrical facility, or if the local government imposes requirements or conditions upon such permit or application that will unreasonably impair the ability of the public utility to provide safe, reliable, and economical service, the public utility may appeal the local government action to the Commission if certain conditions exist. *See*, § 29-20-108(5)(a), C.R.S.

doing so, the utility must balance several competing concerns, including mitigation of project impacts, compliance with land use requirements, and interest in keeping costs down. However, the utility typically acquires rights-of-way (either through voluntary purchases or through eminent domain) for the transmission project only after obtaining all of the necessary permits.

**D. Compliance With Rule 3627**

25. In this section, the Hearing Commissioner will discuss whether the 2012 Plan complies with the applicable Commission Rules and whether it is adequate to meet present and future transmission needs in a reliable manner. In making this evaluation, the Hearing Commissioner will consider the initial filings made in February 2012, the Narrative Summaries filed in July 2012, and other information gathered at workshops. The Hearing Commissioner is also mindful both of the time constraints the Utilities faced in filing the 2012 Plan and the fact that this is the first ten-year transmission plan since the Commission adopted the new transmission planning rules in Docket No. 10R-526E. Finally, he acknowledges that the level of detail will vary with the stage of planning and development for each transmission facility.

**1. Rules 3627(a)(I)(A)-(D)**

26. These rules list the goals of the ten-year transmission plans. These goals are: (a) ensuring that proposed projects do not negatively impact the system of any other transmission provider or the overall transmission system in the near-term and long-term planning horizons; (b) avoiding duplication of facilities; (c) development of joint projects to meet the needs of more than one transmission provider; and (d) coordination with all transmission providers in Colorado.

27. In the Plan, the Utilities contend that their planning processes are intended to facilitate the development of transmission infrastructure in order to maintain reliability and meet electric load growth. Each utility performs and participates in transmission planning at the local

level as well as on the sub-regional and regional levels through the CCPG and WECC. The Utilities further state that they perform annual system assessments, both individually and in conjunction with CCPG, to the standards set forth by the North American Electric Reliability Corporation (NERC) and WECC.

28. In Decision No. R11-0077, the Hearing Commissioner stated that the transmission planning rules “contemplate [that] coordinated transmission planning in Colorado will continue to be performed under the auspices of the CCPG.” The Hearing Commissioner also found that “[i]t is the prerogative of these utilities to choose to utilize the CCPG to accomplish coordinated transmission planning.” Decision No. R11-0077, at ¶¶ 17, 19. In the Plan, the Utilities indicated that they indeed use the CCPG to meet the goals enumerated in Rules 3627 (a)(I)(A-D). While the Hearing Commissioner finds that the CCPG is a reasonable tool to meet these goals, the burden of proof for compliance with the rules remains with the Utilities. Because the Utilities utilize the CCPG for these purposes, the Hearing Commissioner is keenly interested in the CCPG stakeholder process through which interested parties may propose projects or alternatives to proposed projects, and the CCPG’s response to these proposals. The Hearing Commissioner will discuss stakeholder input in more detail below.

## **2. Rule 3627(b)(I)**

29. Rule 3627(b)(I) calls for the “efficient utilization of the transmission system on a best-cost basis, considering both the short-term and the long-term needs of the electric system.” The CCPG is a forum by which, among other items, the utilities coordinate transmission projects. The coordination process among members of the CCPG incorporates forums and committees to coordinate planning under the single-system planning concept. The CCPG provides the structure for utilities and interested parties to comment on proposed transmission

projects. However, until an effective stakeholder participation process is incorporated into the CCPG process that allows stakeholder input and alternatives, and provides stakeholders the methodology used to evaluate their input and alternatives and the rationale for the final dispositions of their input and alternatives, true efficient utilization of the transmission system on a best-cost basis cannot be achieved. Proposed changes to the CCPG process to incorporate stakeholder participation in the development of the next transmission plan is addressed later in this Decision.

30. To fulfill the environmental component of Rule 3627(b)(I), WRA argues that the Utilities and other transmission developers should analyze their transmission projects utilizing the methodology of the Environmental Data Task Force (EDTF). EDTF is a task force within the WECC's Scenario Planning Steering Group, which in turn is a part of the Regional Transmission Expansion Planning project. It consists of utilities, state governments, indigenous tribes, and environmental stakeholders. Its mission is to develop recommendations regarding the type, quality, and sources of data on land, wildlife, cultural, historical, archaeological, and water resources. Further, EDTF developed a report entitled "Environmental Recommendations for Transmission Planning." WRA recommends that utilities and other transmission developers should be required to demonstrate that transmission projects included in their ten-year plans have been analyzed applying the recommendations contained in that report.

31. In response, the Utilities argue that the EDTF process and recommendations are currently in the testing phase and that the work to define and develop the associated database, land classification methodology, and comparison process is still ongoing. The Utilities contend that incorporation of the EDTF process into transmission planning is premature until that testing is completed.

32. The Hearing Commissioner finds that incorporating environmental concerns into transmission planning is important, as it may provide the planners with information that is critical to evaluating the feasibility and routing of a particular transmission proposal. This docket contains general references to EDTF and the purpose of EDTF. Regardless of whether or not WECC has approved the EDTF process or methodology, the Utilities are not precluded from considering the EDTF process or a similar methodology, if the use of that methodology is reasonable given the circumstances. If the EDTF process is available in time to inform the 2014 Plan, the Hearing Commissioner expects the Utilities to utilize this resource in appropriate places throughout the Plan and explain how this resource was used in developing the Plan.<sup>8</sup> For given time periods within the Plan where different methodologies may be appropriate, the Utilities shall explain in detail the rationale for using those methodology(s) to address environmental concerns.

### 3. Rule 3627(b)(II)

33. Rule 3627(b)(II) requires the Plan to demonstrate compliance with “[a]ll applicable reliability criteria for selected demand levels over a range of forecast system demands, including summer peak load, winter peak load and reduced load when renewable generation is maximized.”

34. In its responses to the questions posed in Attachment A of Decision No. C12-0491-I, Public Service states that it performs and participates in the reliability assessments that cover a wide variety of forecasted demands and seasonal conditions, as required by the NERC Transmission Planning Standards and its own internal criteria for planning studies.

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<sup>8</sup> EDTF may or may not be appropriate for projects that are either in the final stages of completion, or for those projects that are in the distant future and therefore very conceptual in nature.

For its part, Black Hills states that it adheres to NERC and WECC standards and criteria as well as its additional internal guidelines. Black Hills further cites to Decision No. C11-0318, ¶ 36, to argue that the basic intent of Rule 3627(b)(II) was not to require “any studies or analyses beyond those necessary to demonstrate compliance with the reliability criteria, FERC Order 890, WestConnect and WECC requirements.” Finally, Tri-State states that it adheres to NERC and WECC standards as well as criteria internal to the organization. Collectively, the Utilities argue that they have fully complied with Rule 3627(b)(II).

35. The Utilities file a variety of transmission system models with the WECC for the purpose of selecting planning horizons and to simulate a variety of system conditions, such as a heavy summer, heavy winter, and light autumn loading. It is difficult to determine solely from reviewing the Plan what selected demand levels were used, the range of forecasted system demands used, and whether a particular model reflected reduced load when renewable generation is maximized. Therefore, the Utilities must clarify specifically how they have complied with Rule 3627(b)(II) in the next filing.

36. Thus, in their next ten-year transmission plan filing, the Utilities shall explain and discuss the range of forecasted system demands used in the models, the rationale for using those demand levels, and other relevant assumptions. For a given scenario, the Plan should direct the reader to the demand levels and other basic assumptions used in that model (for example, an assumed 3 percent annual load growth for a given heavy winter case). Finally, pursuant to Rule 3627(b)(II), the Utilities shall specify in the next ten-year plan which transmission system scenario modeled reflects a reduced load when renewable generation is maximized.

#### 4. Rules 3627(c)(I)-(V)

37. Rules 3627(c)(I-V) list the information that each ten-year transmission plan must contain. This information includes the methodology, criteria, and assumptions used to develop the plan; load forecasts; the generation assumptions and data used to develop the plan; the methodology used to determine system operating limits, transfer capacity benefit margin, and transmission reliability margin; and the status of upgrades identified in the transmission plan.

38. The Utilities provided a portion of the above-mentioned information, such as the methodology used to determine transmission facility ratings. For other information, the Utilities expressed confidentiality concerns and informed interested parties who are not WECC members about the process to execute the “Nonmember Confidentiality Agreement for WECC Data.”

39. In his public comments, Mr. Braunagel contends that the Commission should insist that the Utilities comply fully with Rule 3627(c)(I), if for no other reason than to help expedite future CPCN dockets. Mr. Braunagel’s concern does not center upon the requirement that interested parties must execute appropriate confidentiality agreements with WECC to have access to base cases. Rather, his concern centers upon the ability of stakeholders to access all changes and modifications made to various base cases by the utility.

40. The Hearing Commissioner notes that the Utilities may modify base cases filed with the WECC in order to reflect new proposed transmission facilities and updated forecasts and assumptions. The Hearing Commissioner acknowledges Mr. Braunagel’s view that qualified interested parties (parties that have executed appropriate confidentiality agreements) should have access to the same models as the utility, including those models with recent updates. This is especially the case during the CPCN proceedings for transmission facilities contained within a ten-year plan. Indeed, this is the overriding principle of Rules 3627(c)(I-V). The ability of

qualified interested parties to analyze the exact same models used by the utility may expedite CPCN proceedings, as this would avoid a situation where parties analyze different models.

41. The Hearing Commissioner therefore finds that the Utilities shall provide, when requested, base cases to qualified interested parties (those parties who have executed appropriate confidentiality agreement(s) with WECC). Further, when the Utilities have modified the applicable WECC base cases, the Utilities shall provide, when requested, qualified interested parties with the models containing the most recent assumptions, including but not limited to the Utilities' most recent modified power flow and stability base case models, including necessary basic criteria, assumptions, and data that underlie those models, to allow qualified interested parties to reproduce and vet those models.

#### **5. Rule 3627(c)(VI)**

42. During the workshop held on July 25, 2012, the participants presented diverse viewpoints on what are "alternatives" for purposes of the ten-year transmission plans filed under Rule 3627. The interested parties discussed this issue further in their SOPs.

43. On one hand, the Utilities contend that the term "alternatives" refers to the electric alternatives that were considered in developing the individual transmission projects that were vetted through the planning process and included in the ten-year Transmission Plan. In support of their argument, the Utilities cite to Rule 3627(c)(VI), which states that:

The related studies and reports for each new transmission facility identified in the transmission plan including alternatives considered and the rationale for choosing the preferred alternative. The depth of the studies, reports, and consideration of alternatives shall be commensurate with the nature and timing of the new transmission facility.

44. The Utilities argue that the reference to "alternatives" within Rule 3627(c)(VI) is in regards to the individual transmission projects listed in the Plan, not in regards to overall

transmission plans or routes for transmission projects. The Utilities also point out that, in Docket No. 10R-526E, the Hearing Commissioner stated that "...alternatives are [to be] developed and evaluated from a technical perspective." Decision No. R11-0077, mailed January 21, 2011, at ¶ 33. The Utilities contend that other types of alternatives such as implementation alternatives (*e.g.*, whether a particular project should be phased) are outside of the scope of Rule 3627. The Utilities opine that a contrary interpretation of Rule 3627 would make the transmission planning rules similar to the Electric Resource Planning (ERP) Rules, a result not contemplated by the Commission when it promulgated Rule 3627. The Utilities conclude that the Transmission Plan complies with Rule 3627(c)(VI) because it identifies the alternatives that have been considered in connection with each individual transmission project.

45. On the other hand, CIEA argues that, along with their preferred plan, the Utilities should submit alternative transmission plans as part of the ten-year transmission plans filed under Rule 3627. These alternative transmission plans, according to CIEA, should include alternatives to the build out of certain lines and measurement of load growth, among others. CIEA argues it is in the public interest for the Commission to evaluate the alternatives to implementation and for the stakeholders to weigh in on such alternatives.

46. The term "alternatives," as used within Rule 3627(c)(VI), includes technical electric alternatives (such as conductor size or transmission voltage) related to individual transmission projects. The transmission plans shall address and discuss technical alternatives related to specific projects when appropriate. However, the rules do not contemplate solely technical alternatives, as the Utilities contend. Also, the rules do not contemplate the filing of several full and complete alternative transmission plans from which the Commission is to approve a single plan, as argued by CIEA. Rather, to understand the depth and variety of

alternatives to be considered when developing the Plan, the term “alternatives” must be read in conjunction with other portions of the transmission planning rules, and the overall purpose and intent of these rules. This intent includes coordinated, comprehensive, and transparent transmission planning that occurs in part because of stakeholder input and the alternatives suggested by those stakeholders.

47. To begin the planning process, the Utilities develop a proposed transmission plan for consideration by stakeholders. Then, through a process of early stakeholder outreach, this proposed plan is disseminated by the Utilities to potentially affected stakeholders (such as landowners, local governments, and government agencies), experienced and knowledgeable stakeholders (such as CIEA, WRA, and Commission Staff), other stakeholders, and the public at large.

48. After stakeholder outreach, a process must be available to allow the Utilities to receive stakeholder input on the proposed plan. This process must discern the nature of the input and alternatives from stakeholders so that the input and alternatives can be categorized to be evaluated in the proper forum. For instance, technical alternatives on specific transmission projects will likely be presented by the more experienced and knowledgeable stakeholders and therefore may be addressed through CCPG.<sup>9</sup> Input and suggestions related to public policy and other issues may fall outside of the scope of CCPG and therefore would be considered and addressed by the Utilities through another process. Additionally, some alternatives may be more appropriate for the 10-year plan while others may be more appropriately included in the 20-year

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<sup>9</sup> Proposed changes to the CCPG process to incorporate this form of stakeholder participation in the development of the next transmission plan is addressed later in this Decision.

conceptual long-range scenario, and some proposed alternatives may not be feasible at all. The Utilities must be ready to make and support their determinations in these cases.

49. In sum, for a comprehensive and coordinated transmission planning process to occur, stakeholder participation, the consideration of alternatives, and the manner in which alternatives are evaluated, must coalesce. The Utilities must be prepared to properly consider and respond to many types of alternatives and input from stakeholders whose knowledge on transmission issues range from cursory to in-depth. The Utilities must be able to describe and support the methodology used to categorize the types of input and alternatives, the forums in which the input and alternatives were evaluated, and the rationale for the final dispositions of the input and alternatives. This information will be incorporated in developing and finalizing the Plan before it is filed with the Commission.

50. This planning process, which begins with a proposed plan that is modified in response to input and alternatives from stakeholders and then filed with the Commission, is an iterative process that will continue for each filing.

51. Regarding alternatives related to policy issues, the transmission planning rules contemplate that the Commission may be addressing public policy goals for the utilities to incorporate in their future transmission planning filings. For example, the Commission could express an interest in the Utilities focusing on only one SB 07-100 ERZ (as opposed to multiple ERZs at the same time) or working to solve an identified transmission congestion problem. Therefore, the Hearing Commissioner finds that the rules contemplate that the Utilities would address alternatives to meet such public policy goals within their plans.

52. To ensure that the 2014 ten-year plan addresses alternatives to meet public policy goals, Commission Staff shall meet with the Utilities early in 2013 to assist the Utilities in incorporating these alternatives into the Plan.

53. Further, the Hearing Commissioner finds that the term “alternatives” does not include alternative transmission scenarios calling for different demand side management (DSM) assumptions. DSM issues are more appropriately examined in an ERP proceeding. In addition, the rules do not contemplate the Utilities filing alternative transmission plans, as the Hearing Commissioner discusses more fully later in this Decision.

**6. Rule 3627(c)(VII)**

54. Rule 3627(c)(VII) requires the ten-year transmission plan to contain both the “in-service date for the facilities identified in the transmission plan and the entities responsible for constructing and financing each facility.”

55. The Utilities state that information responsive to Rule 3627(c)(VII) is contained in the appropriate appendices to the Plan.

56. Mr. Braunagel states that, whenever a transmission facility is required for reliability, to meet legal or regulatory requirements, or is part of a larger plan to utilize the transmission system on a best-cost basis, then the Utilities must commit to build such a facility in accordance with the schedule identified in the Plan. The Hearing Commissioner does not agree with such a stringent interpretation of the rules.

57. The Hearing Commissioner understands that not all projects contained in a ten-year transmission plan will have the same certainty regarding their in-service dates. While transmission projects slated for later years of a plan may not have precise in-service dates, estimated in-service dates for those projects are still useful to understand the relationship among

all projects contained in a plan. Even with estimated in-service dates, the projects slated for later years within a ten-year plan may still be proposed to meet the reliability, legal requirements, and best-cost utilization of the transmission system.

58. Projects scheduled to be built within the next few years will have precise in-service dates and the Hearing Commissioner expects those precise dates to be included in a ten-year plan. Conversely, the timing of those projects contemplated in the last several years of a plan is susceptible to changes in load forecasts, the economy, and other factors, and therefore may not have equally precise in-service dates. The Hearing Commissioner finds that estimated in-service dates are acceptable and expected in those circumstances.

#### **7. Rules 3627(c)(VIII) and (g)**

59. Rules 3627(c)(VIII) and (g) require the Utilities to provide opportunities for meaningful stakeholder participation in the planning process. Meaningful participation includes stakeholder outreach from the Utilities, and stakeholder input from interested parties.

##### **a. Stakeholder Outreach**

60. Black Hills states it is currently in the process of developing an expanded stakeholder list from the CCPG participant list in order to invite a more comprehensive group of participants into the transmission planning process. For its part, Tri-State states it has held two separate meetings in 2011 to discuss its ten-year transmission plans and allow for input by interested parties. Public Service states that its primary method for engaging stakeholders and soliciting their input was to hold two two-hour workshops in three locations throughout the state and develop a website containing an overview of Rule 3627, project descriptions, information presented at the workshops, and frequently asked questions.

61. The Utilities contend that some stakeholders may not find it necessary to actively engage in the transmission planning process unless the Commission gives some level of deference to the results of the planning process. The Utilities also point to the lack of a two-year cycle within which they could have conducted stakeholder outreach on the 2012 Plan. The Utilities also argue that, because the siting of the lines does not take place until later, objections not raised during the planning process may still be raised in a subsequent CPCN proceeding.

62. For its part, WRA contends that the future stakeholder processes should engage private landowners and address environmental and cultural constraints in a more meaningful way than was attempted during the 2012 ten-year planning cycle. WRA did not provide specifics on how private landowners would be engaged. In response, Public Service argues that potential landowners may not yet be known during the preliminary planning stage because precise routing may not be known.

63. The Hearing Commissioner notes that stakeholder outreach is essential to comply with Rules 3627(a)(I)(A-D) and to transition transmission projects from conceptual proposals to in-service facilities. Stakeholder outreach includes, among other things, the Utilities providing transmission planning information online and therefore making it available to interested parties and the general public. The Hearing Commissioner notes that the Utilities have provided websites for interested parties to review information associated with the Plan. Stakeholder outreach also consists of active outreach by the Utilities to inform the interested parties of the ten-year transmission plans so that these parties may provide meaningful input. The Hearing Commissioner understands that not all potential interested parties will fully participate.<sup>10</sup>

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<sup>10</sup> The Hearing Commissioner notes that a workshop sponsored by Public Service in Rifle on August 31, 2011 was canceled due to lack of participation.

However, meaningful stakeholder outreach could result in greater weight being afforded to the ten-year transmission plan during the subsequent CPCN proceedings, because stakeholders were given information on the Plan and the opportunity to provide input to the Plan regardless of their response.

64. For the purposes of the February 2012 filing, the Hearing Commissioner finds that the Utilities have fulfilled their obligation for stakeholder outreach. In next transmission plan filing due in February 2014, however, the Utilities shall demonstrate how stakeholder outreach was conducted consistent with the discussion in this Decision. In addition, the Utilities shall provide an overview of the information available on their Rule 3627 websites and a list of the government agencies that were contacted.

**b. Stakeholder Input**

65. The transmission planning rules contemplate that the Utilities will afford all stakeholders an opportunity for “meaningful participation” in the transmission planning process. In Decision No. R12-0896-I, at ¶7, the Hearing Commissioner noted that “...it appears that one or more entities submitted alternatives to the utilities as part of the Colorado Coordinated Planning Group (CCPG) process, but the proposals were not accepted and little or no reasoning for rejecting these proposals was provided.”

66. In its SOP, Tri-State acknowledged that, if the Commission is to rely on CCPG for the purposes of vetting stakeholder proposals, there must be adequate documentation of the process by which CCPG considers and evaluates any alternatives proposed by stakeholders. Tri-State contends that CCPG is in the process of creating a formal process for stakeholders to submit alternatives to various projects, which CCPG will review through the appropriate subcommittee, study group, or a specific utility or group of utilities. The Hearing Commissioner

assumes that a methodology for classifying alternatives proposed by stakeholders will be developed to ensure those proposals are submitted to the proper subcommittees, study groups, etc.

67. As discussed earlier, the Hearing Commissioner finds that the stakeholder input process must include a procedure by which stakeholders may submit input and alternatives. This procedure must provide the stakeholders with full disclosure of the process by which their input, suggestions, and alternatives were categorized, evaluated, and recorded. This process must be transparent and a record of rationale for and against a given suggestion or alternative must be maintained.

68. Therefore, in their next ten-year transmission plan, the Utilities shall discuss the process by which input, suggestions, and alternatives submitted by stakeholders were to be categorized, evaluated, and recorded. Further, the Utilities shall include the method(s) by which the rationale for the final disposition of the input and alternatives was determined. If the CCPG is to be the vehicle for all or part of the stakeholder outreach and input process, the Utilities must show how the CCPG process fulfilled the requirement to allow stakeholders the opportunity for meaningful participation.

#### **8. Rule 3627(h)**

69. Rule 3627(h) requires the Commission to rule upon the adequacy of the existing and planned transmission facilities in Colorado to meet the present and future energy needs in a reliable manner, among other items.

70. In their SOPs, the Utilities argue that the Plan filed in February 2012, especially as supplemented in July 2012, demonstrates compliance with the transmission planning rules and the adequacy of the existing and planned transmission facilities in Colorado to meet the present

and future energy needs in a reliable manner. On the other hand, WRA argues that the Plan is a good effort, but is insufficient. WRA recommends, among other items, that the Utilities include an easily readable, non-technical executive summary containing the major findings and guiding readers to additional detail in the body or appendices to the Plan.

71. The Hearing Commissioner reiterates the ten-year transmission planning process is a “very evolving process.”<sup>11</sup> Throughout this proceeding, the 2012 Plan has improved from the original February 2012 filing as the Utilities submitted additional information in support of the Plan. This includes the responses to the questions listed in Attachment A of Decision No. C12-0491-I, the narratives and maps filed after the May 17, 2012 workshop, and the SOPs filed after the July 25, 2012 workshop. The 2012 Plan has been a worthwhile start. It will inform the Plan due in February 2014.

72. The Hearing Commissioner finds that the 2012 Plan is adequate, considering it is the first filing under the new transmission planning rules and is a foundation for the 2014 filing. However, the additional directives in this Decision for the next filing convey that the plan can be more complete. The experience gained with the 2012 Plan, together with the guidance and directives contained in this Order, as well as having a full two-year cycle will result in a more comprehensive ten-year plan in February 2014.

73. To help ensure that the 2014 ten-year plan is comprehensive, Commission Staff shall meet with the Utilities early in 2013 to aid in the development of the Plan.

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<sup>11</sup> Transcript, July 25, 2012 workshop, lines 3, 12.

## **E. Guidance for Future Filings**

74. The Hearing Commissioner expects the Utilities to reflect the experience gained in this docket and incorporate certain changes in the 2014 Plan. As a preliminary matter, Rule 3627(b)(IV) requires each ten-year transmission plan to demonstrate compliance with all applicable transmission planning requirements in Federal Energy Regulatory Commission (FERC) Order 890. *See also*, Decision No. R11-0077, at ¶¶ 43, 44, 60. However, shortly after the Commission promulgated the rules in Docket No. 10R-526E, FERC issued Order 1000. FERC Order 1000, among other things, builds upon the transmission planning requirements of FERC Order 890 and amends these requirements. Therefore, the Hearing Commissioner expects each ten-year plan to comply with all applicable transmission planning requirements of FERC Order 1000, as well as those FERC Order 890 requirements of FERC Order 890 that remain unchanged, and any other applicable transmission planning requirements promulgated by the FERC.

### **1. CIEA Approach to Future Transmission Planning Dockets**

75. In its SOP, CIEA urges the Commission to approach future transmission planning dockets in a manner comparable to the ERP dockets in order to better align the two processes. CIEA argues that resolving the disconnection between transmission planning and generation planning and aligning the two was a fundamental purpose of Rule 3627. CIEA states that, in future transmission planning proceedings, the Commission should require the Utilities to file a preferred transmission plan along with several alternative transmission plans for the Commission to consider. In these filings, the Utilities would also explain their rationale for selecting a preferred plan. The Utilities would also discuss how the preferred transmission plan and alternative plans comport with the most recently approved ERP and any transmission issues

identified in that ERP. In furtherance of its recommendations, CIEA lists the information that it believes would assist the Commission in evaluating the transmission plans filed and selecting an outcome, as well as for the stakeholders to weigh in as parties.

76. Public Service points out that Rule 3627 only requires the preparation and submission of a single transmission plan rather than a preferred plan with several alternative transmission plans. Public Service contends that any change to Rule 3627 in that regard must be done in a rulemaking rather than in this docket. Public Service also argues that Rule 3627(h), as it is presently written, does not contemplate the Commission deciding among the preferred and alternative transmission plans, but instead reviewing the single transmission plan submitted by the Utilities and issuing a decision on its adequacy.

77. Tri-State states it is not subject to the same generation planning rules as Public Service or Black Hills. Tri-State characterizes the approach suggested by CIEA, where the results of a transmission planning docket would feed into an ERP docket, as a “one-size-fits-all” and argues such an approach is not workable. Tri-State argues the transmission planning rules already balance these considerations, while ensuring that the Commission has sufficient information to assess the adequacy of the transmission plans. Tri-State contends that the purpose of the rules promulgated in Docket No. 10R-526E was to coordinate the planning for additional electric transmission in Colorado rather than to integrate resource and transmission planning.

78. The transmission planning rules require the Utilities to prepare and file a single transmission plan. The Commission then reviews that plan and issues a decision on its adequacy. The focus of transmission planning proceedings is to inform the Commission and stakeholders about the transmission projects the utilities may be planning, the rationale for those projects, and to ensure that the statewide transmission plan has been developed in a coordinated,

comprehensive, and transparent manner. This statewide transmission plan should be the result of coordination among utilities, independent transmission developers, and other interested parties. By incorporating stakeholder outreach and input and the vetting of suggestions and alternatives, the biennial ten-year transmission plan filed by the Utilities should be the preferred plan and should fulfill the goals of the transmission planning rules. If the Commission has to select a preferred transmission plan among several, then the transmission planning process has not been successful.

79. The Hearing Commissioner also recognizes that different transmission providers in the state are subject to different generation planning requirements. Therefore, the objective is not to directly “feed in” the outcome of a transmission planning docket into an ERP docket or vice versa, but rather to inform the process. Also, the information contained in the most recent transmission plan should place any subsequent CPCN applications for transmission projects into an appropriate context so that the Commission and the stakeholders no longer review those applications in a vacuum.

## **2. Stakeholder Input**

80. In its SOP, Tri-State contends it has received no stakeholder input to its proposed transmission solutions. Tri-State also states that interested parties should actively engage in the transmission planning process rather than wait until the utilities file their ten-year transmission plan or subsequent CPCN applications with the Commission. Tri-State states that the Commission clearly articulated this expectation in Docket No. 10R-526E. It also believes that the Commission must enforce the expectation that all interested parties will engage early and throughout the transmission planning process if that process is to have any value to the Commission, the utilities, the stakeholders, and the general public.

81. Likewise, Public Service contends it has sought stakeholder input in developing its transmission plan but has not received any. Instead, according to Public Service, interested parties have raised many issues for the first time after the transmission plan was filed with the Commission and that doing so is inappropriate. Public Service argues that Rule 3627 was predicated on having full and open stakeholder involvement before a transmission plan is filed with the Commission.

82. CIEA argues that the Commission is the proper venue for interested parties to discuss their positions regarding a preferred transmission plan and alternatives to that plan. CIEA states that, while the CCPG is the proper forum to raise electrical alternatives or a proposed novel project, it is not in a position to evaluate different transmission implementation plans or build-out scenarios. CIEA also states that it would be amenable to participate in a public stakeholder process on the actual transmission plan in order to develop alternatives to that plan before it is filed with the Commission. CIEA further contends the utilities have never solicited comments on the actual transmission plan before filing it with the Commission, which is when CIEA first had an opportunity to review the plan. Finally, CIEA points out that, pursuant to the CCPG charter, the utilities have veto power over the non-utility members. CIEA argues that this is another reason why the Commission is an appropriate forum of first impression.

83. The Hearing Commissioner notes that all interested parties should have the opportunity to actively engage in the transmission planning process early to propose alternatives and provide input rather than wait until the ten-year transmission plans are filed with the Commission. The Hearing Commissioner reiterates that the term “alternatives” within Rule 3627 does not refer to the filing of several full and complete alternative transmission plans from which the Commission is to approve a single plan. The rules require the Utilities to file a

single transmission plan, not a preferred transmission plan and alternatives thereto. The fact that the public stakeholder outreach conducted by the Utilities before the Plan was filed with the Commission (under the auspices of CCPG or otherwise) did not result in alternatives from stakeholders to the transmission plan itself does not necessarily mean that the outreach was deficient.

84. The Hearing Commissioner clarifies that, to the extent future stakeholder outreach processes conducted by the utilities prior to filing of ten-year transmission plans do not fairly consider the alternatives to individual transmission projects or other stakeholder input within the scope of Rule 3627, the Commission would then become a forum of first impression to address these issues. Thus, if a non-utility stakeholder submits an alternative(s) and the utilities do not provide information on the method by which the suggested alternative(s) had been categorized, evaluated, recorded, as well as the rationale for the final disposition of the alternative(s), it would be appropriate for the stakeholder to raise that matter before the Commission.

### **3. New CCPG Process Regarding Submission of Alternatives**

85. In their SOPs, the Utilities explain that CCPG members are presently creating a formal process for stakeholders to submit alternatives to various projects, which alternatives the CCPG will then review through the appropriate subcommittee, study group, or specific utility or group of utilities. The subcommittee, study group, or a utility would then present its analysis to the CCPG. In turn, the CCPG would then prepare a formal response to both the stakeholder and to the CCPG members. The Utilities state that, while the CCPG will continue to focus primarily on assessing electric alternatives, it will consider a broader range of alternatives as well (such as a phased approach for a project). The Utilities state that this new formal process will ensure the maximum coordination of transmission projects among the CCPG members, will provide an

explicit path for stakeholders to submit alternatives to CCPG as well as a mechanism to document the request and the response. The Utilities state that they will participate in the establishment of this new process and will update the Commission as soon as the CCPG membership adopts it.

86. The Hearing Commissioner notes that many of the objectives underlying this new CCPG process are either explicit or implicit in our transmission planning rules. For example, coordination of electric transmission projects among the utilities; a clear path for non-utility stakeholders to present alternatives; and documentation of the request, the response, and the rationale for the response are essential to a transmission planning process that is open, coordinated, and inclusive of stakeholder input. *See, e.g.*, Decision No. C11-0318, at ¶ 22. Regardless of whether these objectives are implemented through the new CCPG process or in some other manner, it is the obligation of the Utilities to include the information demonstrating compliance with these objectives in their future transmission plans.

#### **4. Narrative Summaries**

87. During the May 17, 2012 workshop, the participants discussed the filing of the Narrative Summaries to the Plan. The purpose of these Narrative Summaries was to provide the Utilities with an opportunity to discuss the relationship among the projects, the rationale for individual projects under consideration, and the sequencing of the projects. The Utilities filed these Narrative Summaries in July 2012.

88. In its SOP, WRA states that the Utilities should include an easily readable, non-technical executive summary at the beginning of each future transmission plan that summarizes the major findings and guides readers to additional details in the body or appendices of the plan. In response, Tri-State contends that the Narrative Summaries filed on July 2, 2012

fulfill those purposes and states that it is not opposed to including such a summary in its future transmission plans.

89. The Hearing Commissioner notes that the narrative summaries will be integral to future transmission planning proceedings. Additionally, the maps included with the narrative summaries that depicted the annual progression of the transmission system for the duration of the Plan were particularly helpful. Narrative summaries and maps are critical to the evaluation of whether or not the Utilities have complied with Rule 3627. For example, the narrative summaries filed by the Utilities in July discuss the relationship and the sequencing of the individual transmission projects contained in the Plan and otherwise provides the reader with an overview of the Plan. These summaries also connect, and provide the context for, the technical data contained in the Plan and therefore make it accessible and understandable to a wider variety of stakeholders. This, in turn, assists stakeholders to participate meaningfully in a transmission planning proceeding.

90. For the above mentioned reasons, the Hearing Commissioner finds that Rule 3627 contemplates summaries and maps similar to those filed in July. Therefore, the Utilities shall include the summaries and maps in their future transmission plans, at the same time they file these future plans.

**F. Twenty-Year Conceptual Long-Range Scenario – Rule 3627(e)**

91. During the course of the rulemaking proceeding, certain participants raised the possibility of permitting the Utilities additional time to file their first twenty-year conceptual long-range scenario (Twenty Year Conceptual Plan). Therefore, in Decision No. R11-0077 the Hearing Commissioner adopted Rule 3627(e), which requires that the first Twenty Year Conceptual Plan be filed on February 1, 2014. In that decision, the Hearing Commissioner also

indicated that the Commission would provide the Utilities with additional guidance for the scenarios and information to be included in the 2014 filing.

92. Based on experience gained from the first ten-year plan, the Twenty Year Conceptual Plan should also contain a narrative summary. That narrative summary shall address the scenarios selected for evaluation, the rationales for the selection of the scenarios, and the assumptions behind the scenarios. The Twenty Year Conceptual Plan should present a long term vision of the evolution of the transmission system in Colorado, as well as consider a variety of scenarios and the impact of these scenarios on the design of the Colorado transmission system. The Hearing Commissioner understands that a conceptual plan will not include in-depth transmission project studies, but rather, “what-if” scenarios.

93. For instance, high and low load changes and increases to the renewable resource portfolio standard requirements are two scenarios that could have significant impacts to the transmission system design. In the case of load analysis, the 20-year narrative summary should include potential impacts to the transmission system if the assumptions concerning load growth in the 10-year plan are incorrect (*e.g.*, what is the impact to the transmission system if load growth was twice or half of what was forecasted). In the case of changes to the renewable resource portfolio standards, the narrative should explain, by way of example, the impact on the design of the transmission system if the renewable portfolio standards were amended to require a renewable resource level above 30 percent or if carbon regulations were adopted either federally or by the state.

94. The Twenty Year Conceptual Plan should include the Utilities’ long-term view of the build-out of the transmission system. This vision may include future transmission expected to be needed to reach future locations of renewable resources and other generation within each

ERZ, and the estimated capacity and timing of those resources. The conceptual plan may also discuss whether the ERZs will be built out one at a time in a particular sequence, or simultaneously. Further, the Utilities may explain the means by which energy from those resources will be transferred to load centers, such as the incorporation of substation hubs within each ERZ or other methods.

95. The availability of transmission resources to transport renewable energy from ERZs throughout the state to major load centers significantly affects the economics of developing new renewable resources. Utility-owned transmission lines located near the areas where renewable generation resources are likely to be developed would reduce the costs of developing these resources, to both utilities and independent providers.

96. The Hearing Commissioner is interested in exploring the potential benefits that transmission build-out and cost effective access to transmission would provide to the State of Colorado as a whole. By way of example, the proposed Lamar-Front Range transmission project could provide generation developers with closer access to a main corridor of the grid thereby eliminating the need to construct lengthy and possibly redundant radial transmission lines to major load centers. The benefit to the system as a whole of providing close injection points for renewable energy generation resources may advance the time in which this particular transmission project becomes in the public interest. In future transmission planning proceedings, the Commission will explore these and other such system-wide issues. The narrative summaries included with the Twenty Year Conceptual Plans should address such matters, if applicable.

97. As with the Ten Year Plan, Commission Staff shall schedule and meet with the Utilities early in 2013 to discuss and determine, among other items, the scenarios, assumptions and supporting information that should be included in the Twenty Year Conceptual Plan.

98. Pursuant to § 40-6-109, C.R.S., it is recommended that the Commission enter the following order.

**II. ORDER**

**A. The Commission Orders That:**

1. The joint Ten-Year Transmission Plan for the State of Colorado (2012 Plan) filed by Public Service Company of Colorado; Black Hills/Colorado Electric Utility Company, L.P., doing business as Black Hills Energy; and Tri-State Generation and Transmission Association, Inc., on February 1, 2012, as supplemented by subsequent filings made by the Utilities in this proceeding, is found to be adequate given the circumstances of the 2012 Plan discussed above.

2. This Recommended Decision shall be effective on the day it becomes a decision of the Commission, if that is the case, and is entered as of the date above.

3. As provided by §40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

4. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the Recommended Decision shall become the decision of the Commission and subject to the provisions of §40-6-114, C.R.S.

5. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in §40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the

administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

6. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

JAMES K. TARPEY

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Hearing Commissioner

ATTEST: A TRUE COPY

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

Doug Dean,  
Director