

Decision No. C14-1113

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 13A-0445E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP FOR (1) APPROVAL OF ITS 2013 ELECTRIC RESOURCE PLAN, AND (2) APPROVAL OF ITS 2013-2014 RES COMPLIANCE PLAN.

PROCEEDING NO. 13A-0446E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY LP FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A POWER PLANT CONSISTING OF A 40 MW SIMPLE CYCLE COMBUSTION TURBINE AND ASSOCIATED BALANCE OF PLANT PURSUANT TO COMMISSION DECISION NO. C12-1434.

PROCEEDING NO. 13A-0447E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY LP, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE RETIREMENT OF PUEBLO 5 AND 6.

**DECISION ADDRESSING 2013 RENEWABLE
ENERGY STANDARD COMPLIANCE REPORT**

Mailed Date: September 12, 2014

Adopted Date: September 10, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission in consideration of a Motion for Approval of its Annual Renewable Energy Standard (RES) Compliance Report for 2013 filed by Black Hills/Colorado Electric Utility Company, LP (Black Hills or Company) on June 2, 2014

pursuant to Rule 3662 of the Commission's RES Rules, 4 *Code of Colorado Regulations* 723-3-3650, *et seq.*

2. The Commission issued a notice of the Company's filing on June 3, 2014, setting a deadline of July 3, 2014 for interested parties to submit comments. No public comments were filed.

3. Rule 3663(a)(III) of the RES Rules requires Staff of the Commission (Staff) to review the 2013 Annual Compliance Report and, within 60 days of its filing, make a recommendation to the Commission as to whether Black Hills complied with the RES during 2013, whether a hearing is necessary, and whether any changes to the annual compliance report are needed. The deadline for the filing of Staff's report was August 1, 2014.

4. Staff timely filed its review of Black Hills' 2013 RES Compliance Report.

B. Discussion and Findings

5. Black Hills was required to generate 12 percent of its retail electric sales from eligible energy resources in 2013. Black Hills' retail sales for 2013 were 1,809,295 MWhs; therefore the 12 percent RES requirement equals 217,115 MWhs. As part of the 12 percent requirement, Black Hills was required to generate 1.25 percent of its retail electric sales (or 22,148 MWhs) from renewable distributed generation (DG) resources. At least one half of those MWhs (or 11,574 MWhs) must be from retail distributed generation (RDG) resources.

6. Pursuant to Rule 3659, compliance with the RES is generally demonstrated through the retirement of renewable energy credits (RECs).¹ As each REC corresponds to 1 MWh, Black Hills was required to retire at least 217,115 RECs for the 2013 compliance year.

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

7. Based on its review of Black Hills' annual Compliance Report, Staff concludes that Black Hills retired sufficient RECs to comply with all aspects of the RES for 2013.

8. Black Hills calculates that it has 29,404 RDG RECs, 116,840 Wholesale DG RECs, and 143,687 non-DG RECs that it can carry forward for future compliance. Staff concurs with Black Hills' reporting.

9. We find that Black Hills is in compliance with the RES Rules for 2013. Black Hills may carry forward 29,404 RDG RECs, 116,840 Wholesale DG RECs, and 143,687 non-DG RECs that can be used to meet RES requirements in future years, in accordance with the Commission's RES Rules, or for any other legal purpose.

10. In its report, Staff recommends that Black Hills identify all renewable energy costs incurred during the compliance year and the recovery account in future RES report filings.

11. We find that the information about the total cost of compliance with the RES is in the public interest. Therefore, we direct Black Hills to include reporting of both the Electric Commodity Adjustment costs and the Renewable Energy Standard Adjustment costs for all eligible energy resources used for RES compliance.

II. ORDER

A. The Commission Orders That:

1. Black Hills/Colorado Electric Utility Company, LP (Black Hills) is in compliance with the Renewable Energy Standard (RES), including its distributed generation requirements, for the 2013 compliance year. Therefore, no hearing is necessary.

2. Black Hills shall carry forward the renewable energy credits generated in 2013 in excess of those used to demonstrate compliance with the RES in 2013, consistent with the discussion above.

3. Consistent with the discussion above, Black Hills shall include information on both the Electric Commodity Adjustment costs and the Renewable Energy Standard Adjustment costs for all eligible energy resources used for RES compliance in future RES Compliance Reports.

4. The 20-day period provided by § 40-6-114(1), C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the Commission mails or serves this Decision.

5. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
September 10, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners