

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

PROCEEDING NO. 19M-0670E

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IN THE MATTER OF THE COMMISSION'S IMPLEMENTATION OF § 40-2-132, C.R.S.,  
RELATING TO DISTRIBUTION SYSTEM PLANNING.

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**INTERIM DECISION OF  
HEARING COMMISSIONER  
JEFFREY P. ACKERMANN  
REQUESTING COMMENTS**

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Mailed Date: July 1, 2020

**I. STATEMENT**

1. On December 3, 2019, the Commission issued Decision No. C19-0957 opening this Proceeding to collect comments and other information given statutory changes in Senate Bill (SB) 19-236 that, among other revisions, creates § 40-2-132, C.R.S., directing the Commission to promulgate rules regarding the filing of Distribution System Plans (DSPs) by Colorado electric utilities. In Decision No. C19-0957, the Commission stated that the Hearing Commissioner work with the Staff of the Colorado Public Utilities Commission (Staff), stakeholders, and other interested participants to collect and organize information, conduct public comment hearings, and make recommendations to the full Commission as to possible next steps in promulgating rules required by § 40-2-132, C.R.S.

2. Initial Comments were filed by Larry Miloshevich, the City and County of Denver (Denver), Karey Christ-Janer, Colorado Solar and Storage Association and Solar Energy Industries Association (COSSA/SEIA), Black Hills Energy (Black Hills), the Colorado Energy Office (CEO), the Advanced Energy Economy Institute (AEE), Vote Solar, Western Resource

Advocates, (WRA), IBEW Local No. 111, the Southwest Energy Efficiency Project (SWEET), the Colorado Office of Consumer Counsel (OCC), and Public Service Company of Colorado (Public Service). WRA and COSSA/SEIA also filed draft DSP rules.

3. Reply Comments were filed by Larry Miloshevich, COSSA/SEIA, Black Hills, Recurve Analytics, Inc., Denver, Vote Solar, Karey Christ-Janer, WRA, AEE, CEO, Colorado Energy Consumers (CEC) and Public Service. CEO and Public Service also filed draft DSP rules.

4. Through Decision No. R20-0301-I, issued April 28, 2020, a schedule for two workshops and supplemental filings requested of the utilities were scheduled. The Decision also requested a final round of comments based upon the two workshops, as well as responses to the draft rules that have been submitted by various participants to be submitted by June 30, 2020.

**A. Discussion**

5. Decision No. C19-0957 established that the purpose of this Proceeding is to invite interested stakeholders to submit comments and potentially file rule change proposals prior to the Commission's issuance of a Notice of Proposed Rulemaking for DSP filings as required by § 40-2-132, C.R.S. Responses to questions set forth in that Decision can help inform the Commission of the costs and benefits, impacts to ratepayers, regulatory and policy implications, and impact on Distributed Energy Resources (DER) integration and growth due to the filing of DSPs and the evaluation of Non-Wires Alternatives (NWA).

6. Participants were encouraged to provide comments that are responsive to the following issues:

- a) Guidance or policy statements regarding the purpose of initiating a DSP process;
- b) Issues surrounding NWAs;

- c) Modeling load growth, DER forecasts and scenario analysis;
- d) What needs to be included in DSP filings, and frequency of filings;
- e) Data, data privacy, and data security issues;
- f) Developing a cost-benefit framework;
- g) Hosting Capacity Analysis (HCA) and Interconnection;
- h) Coordination of filings and suggestion of other issues this proceeding should address; and
- i) How often plan should be updated.

7. With the filing of Initial and Reply Comments, as well as several draft rule submissions, Decision No. R20-0301-I stated that this proceeding should focus on two discrete goals, accompanied by workshops. The First Workshop was held on May 22, 2020, and focused on determining what the utilities need to file in their initial detailed DSP filing. The Commission stated it would like to learn about the information needed for:

- a) Assessment of Current System Conditions, Capabilities, and Observability;
- b) Forecast of Load and DER Deployment (including scenario analysis);
- c) Safety and Reliability Concerns;
- d) Assessment of Cyber and Physical Security Risks;
- e) Hosting Capacity Analysis;
- f) Identification of Projected System Needs and Opportunities;
- g) Grid Innovation Study/Action Plan;
- h) Stakeholder Outreach Summary; and
- i) Data from other Applications and Proceedings relevant to DSP.

8. Prior to the first workshop, we requested that the jurisdictional electric utilities submit what each considers its current DSP or equivalent in order to facilitate the Commission's understanding of current distribution planning practices by jurisdictional utilities in Colorado.

9. The second workshop was held on June 12, 2020, and focused on the development and analysis of Non-Wires Alternatives. The Commission invited utilities, stakeholder, and outside experts to develop a presentation on an “Envisioned NWA Project.” In addition to participation in the workshop, the Commission requested that each jurisdictional utility present data and information describing specific situations where NWA options were considered in order to facilitate the Commission’s understanding of how NWA’s are currently integrated into the jurisdictional utility’s distribution system management.

10. After reviewing the initial and reply comments, the workshop interactions and associated informal information requests, the Hearing Commissioner determined that the interactions to date have not sufficiently detailed the current distribution system planning practices of the jurisdictional electric utilities.

11. In order to most effectively craft rule language for the distribution planning process that balances regulatory burden and addresses the statutory directives, the Hearing Commissioner desires to understand more discretely how current distribution planning processes are conducted.

12. Participants are encouraged to provide comments that are responsive to the following questions concerning utility distribution system planning practices in Colorado<sup>1</sup>:

- a) Which of these are the objectives of current jurisdictional utility distribution system planning: safety; environmental; reliability; resiliency; flexibility; cost-containment (least-cost solutions); transition to a more dynamic exchange between utility and customer? Other? (Please articulate all of the current objectives, and whether the decision-making process attempts to simultaneously optimize for all or if there are priorities concerning the objectives.)

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<sup>1</sup> While these questions are specifically focused toward Colorado’s jurisdictional electric utilities, with the objective of receiving such information directly from those utilities in order to further the objectives of this proceeding, all responses are welcomed. Non-utility responses are encouraged to focus preferred approaches, including the rationale for such, and offer corresponding proposed rule language (or refer to such already in the record of this Proceeding).

- b) To the extent that cost-containment/minimization is an objective, are future avoided costs factored into the cost analysis? If so, please elaborate as to how these are calculated.
- c) Describe the steps, from forecasting and identifying system problems/needs through to selecting solutions, in a step-by-step manner.
- d) What data is currently used in load forecasting?
- e) When particular needs/problems are identified, please explain how they will be communicated to stakeholders and the Commission. Are they identified in terms of amount of demand that will exceed capacity? Number of customers affected? Age of infrastructure? Customer/developer inquiries? Timetable within which problem needs to be resolved? Other?
- f) What are the sources of potential options brought in for consideration? Are there implicit or explicit preferences (such as a preference for past, tried-and-true practices, and/or a preference for capital investments)?
- g) At each step where a decision is made, detail the criteria used in that decision. For example:
  - i. Screening criteria applied to potential options
  - ii. Evaluation criteria applied to options passing through the initial screening

Please describe how the same screening and evaluation criteria might be applied to both traditional and non-wires alternatives.

13. Parties are also encouraged to assist further the understanding of how Hosting Capacity Analysis should be incorporated into DSP in Colorado, by responding to these questions:

- a) Concerning Hosting Capacity Analysis, in its publication “Optimizing the Grid” IREC suggests that multiple “use cases” should be developed to guide a utility’s implementation of HCA practices. Do stakeholders agree with this approach to HCA? If so, should use cases be developed via a stand-alone proceeding or within the DSP proceeding?
- b) How often should HCA be updated?
- c) How does the utility validate the HCA to ensure HCA results are useful, accurate and reflective of the state of the distribution grid? What are the HCA quality control efforts?
- d) What aspects of load forecasting and HCA should be filed confidentially?

- e) Are there reasonable levels of confidentiality which can facilitate developers' needs and utilities concerns?
- f) How can HCA results serve to improve interconnecting practices?
- g) How can HCA results serve to improve longer term distribution system planning?
- h) When considering Non-Wires Alternatives, should Energy Efficiency, Demand Flexibility and Demand Side Management (DSM) options be limited to those included within the utility's currently approved DSM plan?
- i) Should a distribution system plan filing include a proposal for cost recovery? If so, should the proposal include a rationale for recovery via a cost adjustment mechanism versus inclusion in rate base?

14. Comments responsive to these questions, workshops and draft rules will be due on July 17, 2020.

## **II. ORDER**

### **A. It Is Ordered That:**

1. Comments responsive to the workshops, draft rules, and in response to the questions posed above are due by 5:00 p.m. on July 17, 2020.

2. This Decision is effective immediately.

(S E A L)



THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

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Hearing Commissioner

ATTEST: A TRUE COPY

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

Doug Dean,  
Director