

Decision No. C19-0623-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 16A-0396E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF
COLORADO FOR APPROVAL OF ITS 2016 ELECTRIC RESOURCE PLAN.

**INTERIM DECISION GRANTING MOTION
FOR EXTENSION OF THE 18-MONTH
COMPETITIVE ACQUISITION DEADLINE
UNDER RULE 3613(I) AND EXTENSION
OF TIME TO RELEASE CONFIDENTIAL
AND HIGHLY CONFIDENTIAL INFORMATION
PURSUANT TO RULE 3613(J)-(K).**

Mailed Date: July 24, 2019

Adopted Date: July 17, 2019

I. BY THE COMMISSION

A. Statement

1. On May 24, 2019, Public Service Company of Colorado (Public Service or Company) filed a Motion Pursuant to Rule 3613(i) for Extension of the 18 Month Deadline to Execute Contracts (Motion). The Motion seeks additional time to execute contracts for the resources approved by Decision No. C18-0761 (Phase II Decision). On July 1, 2019, as required by Decision No. C19-0509-I issued June 14, 2019, the Company filed additional details in a project plan for the targeted solar solicitation (Project Plan).

2. Public Service states that the extension is necessary because it cannot execute contracts for two bids approved in the Phase II Decision under the terms of the bids. The Motion, as clarified by the Project Plan, provides a general outline of its proposal to solicit targeted bids and then file an amendment to request Commission approval for its proposed alternatives. The Company also requests a corresponding extension of time to release

confidential and highly confidential information pursuant to Rule 3613(j)-(k) of the Commission's Rules Regulating Electric Utilities, 4 *Code of Colorado Regulations* 723-3.

3. As discussed below, we grant the Motion extending the 18-month deadline and extend the time to release highly confidential information. In approving the requested extension, we do not approve any resource acquisitions potentially resulting from the targeted solicitation. Public Service's application seeking an amendment necessarily must include its requested approvals, presumption of prudence, or other appropriate relief it seeks to obtain.

B. Background, Summary of Motion

4. On September 10, 2018, the Commission issued Decision No. C18-0761 approving the Colorado Energy Plan (CEP) portfolio in the Company's 120-Day Report. Consistent with Electric Resource Planning Rules, Public Service states that it has pursued this cost-effective resource plan with further due diligence and contract negotiations.

5. Rule 3613(i) requires Public Service to complete the competitive acquisition process by executing contracts within 18 months after the utility's receipt of bids. Rule 3613(i) further provides that the utility may file a motion in the resource plan proceeding requesting to extend this deadline for good cause shown.

6. On May 24, 2019, Public Service filed the Motion pursuant to Rule 3613(i). In the Motion, Public Service states that one developer who had two bids¹ in the CEP portfolio that was approved in the Phase II Decision cannot complete the bids as proposed. Public Service therefore requests additional time to conduct a targeted resource solicitation. After receiving and evaluating bids from the targeted solicitation, Public Service states it will then file an amendment

¹ The two bids that Public Service represents cannot be completed include a 110 MW solar facility with 50 MW of storage, and a 75 MW solar facility. These bids were to provide 185 MW of nameplate capacity and 109 MW of load carrying capacity.

for Commission approval, including: a summary of bids received; a levelized cost of energy and net present value analysis of bids; and the results of Strategist modeling of the costs and benefits of potential replacement projects relative to the originally-approved CEP portfolio. The Company states that it intends to offer alternatives to the Commission, ranging from “no action” to “full replacement,” depending on the cost-effectiveness of bids received, along with a preferred alternative based on relevant analyses.

7. Through its supplemental Project Plan required by Decision No. C19-0509-I, Public Service includes requested details and states that it will conclude the bid evaluation by September of 2019. Subsequent to completing the targeted solicitation, Public Service states it will file for an Electric Resource Plan (ERP) amendment for Commission review and approval by September 30, 2019. The Company states that it will request a decision on the amendment as soon as possible after the amendment is filed, but requests that the decision issue no later than March 31, 2020.

8. The Company proposes to seek similar size, technology, and pricing to meet the same December 31, 2022 commercial operations date of the two failed projects. The bid evaluation will be conducted consistent with the methodologies and assumptions approved in the Phase I Decision.

9. The Company further clarifies, as requested, that it seeks a corresponding extension of time to comply with the requirements of Rules 3613(j)-(k) as set forth in Decision No. C19-0249 issued March 20, 2019, to extend the time for releasing all confidential and highly confidential data until contracts, if any, are executed for any replacement solar and/or solar with storage projects.

10. In the Motion, the Company states that it contacted all parties. Public Service represents that all parties that responded either take no position or do not object to the Motion. Responses to the Motion were due June 7, 2019, and no party filed written response.

11. One public comment was filed on behalf of Owl Canyon, LLC (Owl Canyon), asserting that the previous bid locations should be preferred when the Commission considers the new bids in the additional solicitation. Owl Canyon quotes Public Service's project plan that states that the Company will encourage a robust response and a broad representation of projects, and will not put any geographic constraints on where projects may be located. However, the Company further includes that it recognizes that the two failed projects previously approved as part of the CEP portfolio would have resulted in certain economic benefits to the respective counties in which the projects would have been located, which the Company states publicly were Pueblo and Adams Counties. The Company represents it is hopeful that it will see strong and cost-effective solar bids located in these areas. If such bids are received and are not otherwise part of the cost-effective, preferred alternative brought forward in the ERP Amendment filing, the Company states it will identify and discuss in the ERP Amendment filing the most cost-effective bids, if any, located in these geographic areas for comparative use by the Commission.

C. Discussion

12. We the grant the requested extension of the 18-month deadline pursuant to Rule 3613(i) so that Public Service may complete the targeted competitive acquisition process. We further agree that extension of the timeline for release of confidential and highly confidential information is appropriate in these circumstances. Release of this sensitive information while the

targeted solicitation is proceeding risks upsetting the bidding process, which throughout this ERP has resulted in historically low prices that benefit Colorado customers.

13. The Company shall make appropriate filings to release the confidential and highly confidential information as public after contracts associated with the additional solicitation are executed, or after the Commission determines that no additional resources are to be awarded, as appropriate.

14. By granting the Motion we do not “preapprove” or provide a presumption of prudence for any project acquired through the subsequent solicitation. Further, we require that, within its subsequent ERP amendment request provided on or before September 30, 2019, the Company must address the specific approval requested for any resource proposed for acquisition through the additional solicitation under the context of the CEP portfolio approved through the Phase II Decision and the resulting presumption of prudence normally afforded under the Electric Resource Planning Rules.

15. The extension is granted until contracts associated with the additional solicitation are executed, or until the Commission determines that no additional resources are to be awarded, as appropriate.

II. ORDER

A. It Is Ordered That:

1. The Motion for Extension of the 18 Month Deadline to Execute Contracts, filed on May 24, 2019 by Public Service Company of Colorado, is granted, consistent with above discussion.

2. The 18-month competitive acquisition deadline under Rule 3613(i), 4 *Code of Colorado Regulations* 723-3 is extended, consistent with the above discussion.

3. An extension for the release of confidential and highly confidential information under the requirements of Rules 3613(j)-(k), as addressed in Decision No. C19-0249, is granted.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
July 17, 2019.**

(S E A L)



ATTEST: A TRUE COPY

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

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

JOHN GAVAN

Commissioners