

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0498E

IN THE MATTER OF ADVICE LETTER NO. 1971 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO REVISE RATES FOR THE OFF-SITE NET METERING CREDIT, TO BECOME EFFECTIVE JANUARY 1, 2025.

**COMMISSION DECISION
SUSPENDING EFFECTIVE DATE OF TARIFF SHEETS,
ESTABLISHING NOTICE AND INTERVENTION PERIOD,
AND REFERRING MATTER TO AN
ADMINISTRATIVE LAW JUDGE**

Issued Date: December 31, 2024
Adopted Date: December 30, 2024

IMPORTANT NOTICE: ANY PERSON DESIRING TO PARTICIPATE ONLY BY MAKING A STATEMENT MAY DO SO BY SUBMITTING A WRITTEN COMMENT THROUGH <https://puc.colorado.gov/> INDICATING PROCEEDING NO. 24AL-0498E. IF YOU DESIRE TO ASK QUESTIONS OF A WITNESS OR OTHERWISE PARTICIPATE AS A PARTY IN THIS MATTER, YOU MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF YOU HAVE ALREADY FILED AN OBJECTION). ANYONE DESIRING TO INTERVENE MUST CAREFULLY FOLLOW THE LAW AND COMMISSION RULES FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION ON HOW TO INTERVENE, CALL (303) 894-2070 (PUC EXTERNAL AFFAIRS OFFICE).

I. BY THE COMMISSION

A. Statement

1. On November 15, 2024, Public Service Company of Colorado (“Public Service” or the “Company”) filed Advice Letter No. 1971 - Electric (“AL 1971”) with tariff sheets establishing the net metering credits paid to eligible customers with off-site distributed energy resources, namely the “Off-Site Net Metering Credits” or “OS-NMC,” effective January 1, 2025.

2. By this Decision, the Commission sets for hearing the tariff sheets filed under AL 1971 and suspends their effective date to May 1, 2025.

3. A pleading to intervene in this matter may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding no later than January 31, 2025.

4. We refer this matter to an Administrative Law Judge (“ALJ”).

B. Discussion

5. By Decision No. C22-0678, the Commission approved an Unopposed Comprehensive Settlement Agreement resolving the adjudication of Public Service’s 2022-2025 Renewable Energy Plan. That final decision in Proceeding No. 21A-0625EG acknowledges the settling parties agreed to certain modifications to the way that the OS-NMC would be calculated initially.

6. Under the terms of the settlement agreement, the off-site net metering credit is based on the average retail rate for each rate class, less the current year cost (or “reasonable charge”) of transmission, distribution, and public benefit riders and adjustment clauses, specifically the Demand Side Management Cost Adjustment (“DSMCA”), the Renewable Energy Standard Adjustment (“RESA”), Colorado Energy Plan Adjustment (“CEPA”), and Transportation Electrification Programs Adjustment (“TEPA”). Once in effect, the Clean Energy Plan Rider (“CEPR”) will also be deducted from the average retail rate to calculate the off-site net metering credit. The current-year cost of transmission and distribution will be based on the functionalized revenue requirements from the Company’s most recent rate case plus the transmission and distribution costs included in any non-base rate adjustments or riders.

7. Notably, while the settling parties agreed not to challenge the methodology for establishing the OS-NMC as part of the compliance advice letter filing contemplated in the settlement agreement, they maintained their right to contest this proposed methodology as part of any other future proceeding or rulemaking.

8. Public Service submitted the compliance advice letter filing establishing the first set of OS-NMC amounts on May 23, 2023, in Proceeding No. 23AL-0257E. This first set of OS-NMC amounts, which are currently in effect, is implemented by Sheet Nos. 123 through 123G of Public Service's Colorado P.U.C. No. 8 - Electric Tariff effective June 1, 2023.

9. Public Service filed AL 1971 on November 15, 2024, to establish updated OS-NMC amounts for effect January 1, 2025. Public Service explains that the OS-NMC amounts for 2025 are the product of Solar Weighted Total Aggregate Retail Rate ("SWTARR") less the Fixed Reasonable Charge ("FRC") for each rate class. The amount of the OS-NMC for 2025 is a decrease of 8.4 percent to 21.8 percent relative to the credit paid in 2024 depending on the customer's rate class. Public Service states that the decrease in credits is due to increases in the Company's base rates that were offset by increases in transmission and distribution costs. The tariff sheets filed with AL 1971 include only those that set forth the net metering credit amounts (*i.e.*, Sheet Nos. 123C, 123D, and 123E) and do not include the tariff sheets that establish the methods used to calculate the OS-NMC or other applicable terms and conditions (*i.e.*, Sheet Nos. 123, 123A, and 123B).

10. Public Service filed the tariff sheets without supporting Direct Testimony.

11. On December 10, 2024, the Colorado Solar and Storage Association ("COSSA") and the Solar Energy Industries Association ("SEIA") (collectively "COSSA/SEIA") jointly filed a protest to AL 1971. They claim the filing is inconsistent with previously adopted advice letters

implementing the off-site net metering credit and thus request that the Commission suspend the effective date of the tariff sheets and hold a hearing.

12. For example, COSSA/SEIA claim not having sufficient access to material to fully understand Public Service's updated bill credit methodology and state they have not been able to fully review key inputs to the SWTARR analysis, such as the Company's Solar Impact Study. They further raise concerns about key assumptions made in the workbooks that Public Service provided to COSSA/SEIA prior to the filing their protest. COSSA/SEIA also state that Public Service should explain how the pairing of energy storage with an off-site solar facility would impact the SWTARR calculation, because such facilities would be able to better match customer demand, in addition to better meeting overall system needs. In addition, COSSA/SEIA argue that changes to the advice letter filing would "increase clarity and understanding of applicable Off-Site DG bill credit rates for all stakeholders." They claim, for instance, that the filing should be "as robust and accurate as possible," setting forth the various credits reflective of the year in which an interconnection agreement was executed.

C. Conclusions and Findings

13. Pursuant to § 40-6-111(1), C.R.S., the Commission may suspend tariff sheets for 120 days. Based on our review of the filing and the protest submitted by COSSA/SEIA, we find good cause to suspend the tariff sheets submitted with AL 1971 for 120 days through May 1, 2025, and to set the matter for hearing.¹ We agree with COSSA/SEIA that a hearing process is necessary for the Commission to properly review the updated off-site net metering credits.

¹ Under § 40-6-111(1)(b), C.R.S., the Commission may by separate order extend the suspension period for an additional 130 days, for a total of 250 days, through September 8, 2025.

14. A pleading to intervene may be filed by any person, firm, or corporation desiring to be a party and fully participate in this Proceeding, as ordered below. The filing of any other document protesting the tariff sheets shall not allow participation as an intervenor in this matter.

15. We refer this matter to an ALJ.

II. ORDER

A. The Commission Orders That:

1. The proposed January 1, 2025, effective date of the tariff sheets filed with Advice Letter No. 1971 - Electric, filed by Public Service Company Colorado ("Public Service") on November 15, 2024, is suspended until May 1, 2025, or until further order of the Commission.

2. Any person, firm, or corporation, including any who have previously filed a document protesting the proposed tariff pages, who desire to intervene and participate as a party in this Proceeding shall file a motion to intervene with the Commission no later than **January 31, 2025**, and shall serve a copy of the notice or motion on Public Service's attorney of record.

3. The matter is referred to an Administrative Law Judge ("ALJ"). The ALJ shall set a hearing date, rule on interventions, and establish other procedures by separate decision(s).

4. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 30, 2024.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners