

Section 2 – Introduction

Public Service Company of Colorado's 2009 Renewable Energy Standard Compliance Plan is comprised of two volumes. Volume 1 contains a narrative describing details of the Company's proposal for complying with the Commission's rules implementing the Renewable Energy Standard, 4 CCR 723-3-3650 *et seq.* Volume 1 also contains the On-Site Solar Request for Proposals. Volume 2 contains the tables that are referenced in Volume 1.

The first part of Volume 1 is divided into ten sections, which provide all the information required by Commission Rule 3657:

- Section 1, Executive Summary
- Section 2, Introduction
- Section 3, Retail Energy Forecast, describes Public Service's retail energy forecast used to estimate the Company's retail electricity sales from 2008 through 2025. Rule 3657(a)(I)(B).
- Section 4, Estimates of Existing and Forecasted RECs, describes the Company's estimates of the Renewable Energy Credits ("RECs") that the Company must acquire to meet the Renewable Energy Standard, and it describes the Company's projected transfer of RECs to its wholesale customers as well as RECs projected to be retired on behalf of the Windsource customers. This section focuses on the 2009 Compliance Year, but also provides longer-range projections of needed RECs through 2020. Rule 3657(a)(I)(C).
- Section 5, Acquisition Plans, describes Public Service's plans to acquire Eligible Energy from various categories of solar and non-solar resources, divided into subparts for each resource type. Public Service is proposing an ownership investment in a new Solar Resource, which is presented in this section. Rule 3657(a) (I)(E), (F), (G), (H), (J); Rule 3657(a)(II); Rule 3657(a)(III); and Rule 3657(a)(IV).

- Section 6, Retail Rate Impact/Budget, discusses the retail rate impact of acquiring the Eligible Energy necessary to meet the Renewable Energy Standard (“RES”), and the Company’s projection of the costs of acquiring Eligible Energy through 2020. This section also explains why it is necessary to set the current RESA at two percent (2%) in order to collect sufficient revenues to acquire Eligible Energy through 2020. Rule 3657(a)(I)(A), (D).
- Section 7, Cost Recovery, describes the cost recovery mechanism proposed by the Company associated with the cost of implementing the Renewable Energy Standard. Rule 3657(a)(V).
- Section 8, Net Metering, describes the Company’s plans to maintain the same Net Metering practices and tariff as approved in the 2007 Compliance Plan.¹
- Section 9, Interconnection Requirements, describes the Company’s plans to change its current practices with regard to interconnection requirements, to address the issue of the external AC disconnect switch.
- Section 10, Conclusion, seeks approval of the 2009 Compliance Plan, and cost recovery of the Wind forecasting tool through the RESA.

The second part of Volume 1 contains the proposed Request for Proposals required under Rule 3657(a)(I)(I) for the large on-site solar program. Public Service is not proposing changes to the existing Solar*Rewards contracts, which were previously approved in part by the Commission in Decision No. C08-0559, at paragraph 25.

¹ Commission approved the Company’s net metering tariff per Decision No. C07-0676, Paragraph 179