

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25AL-0059E

IN THE MATTER OF ADVICE LETTER NO. 1977 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE ITS COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO IMPLEMENT PRO RATA INTERCONNECTION COST SHARING FOR QUALIFIED COMMUNITY SOLAR GARDEN PROJECTS PURSUANT TO SENATE BILL 24-207, TO BECOME EFFECTIVE MARCH 2, 2025.

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

Issued Date: February 28, 2025
Adopted Date: February 26, 2025

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. 25AL-00059E. 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 January 30, 2025, Public Service Company of Colorado (“Public Service” or the “Company”) filed Advice Letter No. 1977 - Electric to update its tariffs governing the interconnection of Community Solar Gardens (“CSG”) to its distribution system. The Advice Letter was filed pursuant to Senate Bill (“SB”) 24-207 that requires the Company to implement

cost-sharing mechanisms for system upgrades required for CSG interconnections, whereby a CSG only pays the facility's proportional share of newly created hosting capacity associated with the facility.

2. By this Decision, the Commission sets for hearing the tariff sheets filed under the Advice Letter and suspends their effective date to June 30, 2025.

3. We refer the matter to an Administrative Law Judge (ALJ).

4. 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 March 28, 2025.

B. Discussion

5. By its Advice Letter filing, Public Service proposes to apply pro rata cost sharing to distribution substation upgrades through the interconnection tariff applicable to CSGs in accordance with SB 24-207. Public Service argues that distribution substation upgrades can readily be allocated for the purpose of pro rata cost sharing. The Company also contends that solar industry stakeholders suggested to the Company that this type of system upgrade can present a material barrier to CSG development. The pro rata cost sharing mechanism is proposed to take effect on or after January 1, 2026, because the Company states it will take time and resources to implement this proposed mechanism.

6. In addition to the proposed cost sharing provisions, Public Service requests that interconnection costs not paid for by the CSGs be recovered from ratepayers through the Grid Modernization Charge ("GMAC") put forward for Commission approval in Proceeding No. 24A-0547E. Costs subject to GMAC recovery would be offset by CSG developer contributions

made in accordance with the Company's interconnection tariffs, consistent with how the Company treats other forms of customer contributions in aid of construction.

7. Public Service further proposes to cap the funding available for interconnection upgrades that are not addressed by the CSG developers at \$5 million per year. Public Service explains that the cap balances the interconnection needs of the CSGs with ratepayer costs.

8. On February 18, 2025, Trial Staff of the Colorado Public Utilities Commission ("Staff") filed a protest to the Advice Letter. Staff asks the Commission to set the matter for hearing and suspend the effective date of the tariff sheets filed with Advice Letter. Staff seeks to examine whether the Advice Letter filing satisfies the Company's obligations in SB 24-207, and whether its cost sharing proposal is consistent with established cost-causation principles. Staff also seeks to investigate whether the Company-funded investment capped at \$5 million per calendar year is reasonable to all ratepayers and whether the proposal to limit distribution substation upgrade cost subject to pro rata sharing to voltage supervisory reclosing and ground fault overvoltage protection is reasonable. Staff likewise seeks to examine whether the Company's proposal to exclude substation transformer upgrades from its pro rata sharing is just and reasonable. Furthermore, Staff seeks to address the reasonableness of Public Service using its proposed GMAC to recover the costs not funded by CSG developers.

9. On February 20, 2025, the Colorado Solar and Storage Association, the Solar Energy Industries Association, and the Coalition for Community Solar Access ("Joint Solar Parties") also filed a protest to the Advice Letter. The Joint Solar Parties argue that the Company's tariff proposal entails certain restrictions to the pro rata cost sharing that may not have been contemplated in statute. For example, they point out that the Advice Letter filing limits the application of pro rata cost sharing solely to select interconnection costs associated with

distribution substation upgrades, namely voltage supervisory reclosing and ground fault over-voltage protection measures, while explicitly excluding other costs such as new or upgraded substation transformers. The Joint Solar Parties also raise questions about the proposed \$5 million annual limit on the amount of Company-funded investments under the pro rata cost sharing mechanism. They again contend that § 40-2-127.2(7)(b), C.R.S., does not specify any limit on the total amount of costs to be shared nor does it contemplate the premise of a limit on the amount of interconnection costs shared with CSG developers. The Joint Solar Parties also raise concerns about Public Service's proposal that the pro rata cost sharing mechanism only be made available to CSGs that interconnect after January 1, 2026.

10. Within their protest, the Joint Solar Parties put forward a motion to consolidate this proceeding initiated by the filing of Advice Letter No. 1977 - Electric with Proceeding No. 24A-0547E that addresses Public Service's 2025-2029 Distribution System Plan ("DSP"). The Joint Solar Parties argue that consolidating these cases will make the best use of Commission and stakeholder resources and more comprehensively consider the types of system upgrades and appropriate cost allocation necessary. They further suggest that Commission evaluate Public Service's proposed use of the GMAC for recovery of distribution system upgrade costs in a consolidated proceeding.

11. The Joint Solar Parties state in the protest that they conferred with Public Service regarding the motion to consolidate and report that the Company reserves its right to take a position and respond to the motion in the future.

C. Conclusions and Findings

12. 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 Staff and the Joint Solar

Parties, we find good cause to suspend the tariff sheets submitted with Advice Letter No. 1977 - Electric for 120 days through June 30, 2025, and to set the matter for hearing.¹

13. We refer this matter to an ALJ. The assigned ALJ shall address the motion of the Joint Solar Parties to consolidate proceedings by separate decision.

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.

II. ORDER

A. The Commission Orders That:

1. The proposed March 2, 2025, effective date of the tariff sheets filed with Advice Letter No. 1977 - Electric, filed by Public Service Company of Colorado ("Public Service") on January 30, 2025, is suspended until June 30, 2025, or until further order of the Commission.

2. 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).

3. 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 **March 28, 2025**, and shall serve a copy of the notice or motion on Public Service's attorney of record.

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 November 7, 2025.

4. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 26, 2025.**

(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