

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

\* \* \* \* \*

IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF )  
COLORADO FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY )  
FOR COLORADO'S POWER PATHWAY ) PROCEEDING NO. 21A-0096E  
345 KV TRANSMISSION PROJECT AND )  
ASSOCIATED FINDINGS REGARDING )  
NOISE AND MAGNETIC FIELD )  
REASONABLENESS )

**REBUTTAL TESTIMONY AND ATTACHMENT OF ALICE K. JACKSON**

**ON**

**BEHALF OF**

**PUBLIC SERVICE COMPANY OF COLORADO**

**October 22, 2021**

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

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IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF )  
COLORADO FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND )  
NECESSITY FOR COLORADO'S POWER ) PROCEEDING NO. 21A-0096E  
PATHWAY 345 KV TRANSMISSION )  
PROJECT AND ASSOCIATED FINDINGS )  
REGARDING NOISE AND MAGNETIC )  
FIELD REASONABLENESS )

**REBUTTAL TESTIMONY AND ATTACHMENT OF ALICE K. JACKSON**

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**LIST OF ATTACHMENTS**

Attachment AKJ-2	Joint Brief of Public Service Company of Colorado, the Colorado Energy Office, the Colorado Independent Energy Association, the Colorado Solar and Storage Association and Solar Energy Industries Association, Interwest Energy Alliance, the Rocky Mountain Environmental Labor Coalition and Colorado Building and Construction Trades Council, AFL-CIO, and Western Resource Advocates regarding Trial Staff of the Commission's Interpretation of § 40-2-125.5(5), C.R.S.
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**REBUTTAL TESTIMONY AND ATTACHMENTS OF ALICE K. JACKSON**

**I. INTRODUCTION AND PURPOSE OF TESTIMONY**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Alice K. Jackson. My business address is 1800 Larimer Street,  
Denver, CO 80202.

**Q. WHOM ARE YOU REPRESENTING IN THIS PROCEEDING?**

A. I am testifying on behalf of Public Service Company of Colorado ("Public Service"  
or the "Company").

**Q. ARE YOU THE SAME ALICE K. JACKSON WHO PREVIOUSLY PROVIDED  
DIRECT TESTIMONY IN THIS PROCEEDING?**

A. Yes. My Direct Testimony was filed on March 2, 2021.

1 **Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR**  
2 **REBUTTAL TESTIMONY?**

3 A. Yes, I am sponsoring Attachment AKJ-2, which is a Joint Brief supported and  
4 signed by the Company, the Colorado Energy Office (“CEO”), the Colorado  
5 Independent Energy Association (“CIEA”), the Colorado Solar and Storage  
6 Association and Solar Energy Industries Association (“COSSA/SEIA”), Interwest  
7 Energy Alliance (“Interwest”), the Rocky Mountain Environmental Labor Coalition  
8 and Colorado Building and Construction Trades Council, AFL-CIO (collectively,  
9 “RMELC/CBCTC”), and Western Resource Advocates (“WRA”). As I will explain  
10 later in my Rebuttal Testimony, it addresses the statutory interpretation offered by  
11 Trial Staff of the Commission (“Staff”) witness Mr. Gene L. Camp regarding § 40-  
12 2-125.5(5), C.R.S. and the scope of the “clean energy plan revenue rider”  
13 (“CEPR”) under the Colorado Public Utilities Law.

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**  
15 **PROCEEDING?**

16 A. The purpose of my Rebuttal Testimony is to provide an overview of the Company’s  
17 Rebuttal Case from my perspective as President of Public Service. An important  
18 backdrop here is the need to build transmission to continue to move the clean  
19 energy transition forward in a timely and reliable manner. The clean energy  
20 transition is occurring in stages, with changes to the bulk electric system and the  
21 way it behaves at each stage, from the *type* of power injected to *where* it is injected.  
22 Transmission is critical to collect and move new power sources to load, while also  
23 providing operating optionality to cover new operating risks introduced as the

1 system transitions. With the Colorado’s Power Pathway Project (“Pathway Project”  
2 or “Project”), we have advanced a detailed and well-supported proposal to make  
3 eastern Colorado transmission a reality, facilitate the transformative 2021 Electric  
4 Resource Plan and Clean Energy Plan (“2021 ERP & CEP”), and position the  
5 transmission system in Colorado for the future.

6 I do not think it is an overstatement to say that with this proceeding, the  
7 Colorado Public Utilities Commission (“Commission”) is at the tip of the spear in  
8 advancing the continued buildout of clean energy through new transmission  
9 infrastructure and continuing to lead the nation on emissions reductions from the  
10 power sector. This is not a new place for this Commission, our Company, and  
11 Colorado stakeholders—but it is an important one. Yet again, we collectively find  
12 ourselves in a position where Colorado can show the rest of the country how to  
13 take the next step in the clean energy transition in a reliable and affordable manner.  
14 Transmission infrastructure is a key part of that next step, enabling the collection  
15 and utilization of all forms of clean energy to advance decarbonization across  
16 various sectors of the economy.

17 The era of “just in time” transmission development—where transmission  
18 projects are determined after generation is sited—is in the past, and the time for a  
19 forward-looking strategy for transmission development, as codified by the General  
20 Assembly in 2007 through Senate Bill 07-100, is now. To that point, the need for  
21 the Project is information-driven, e.g., information about the Energy Resource  
22 Zones established by Senate Bill 07-100 and information on bid locations from our  
23 Colorado Energy Plan solicitation in Proceeding No. 16A-0396E—where we

1 received over 400 bids but only 11 made it into the final approved plan, leaving a  
2 substantial number of projects looking for another opportunity. The Pathway  
3 Project unlocks that opportunity, resting on a supported “Field of Dreams” strategy  
4 for transmission development—“if you build it, they will come”—informed by  
5 projects bid into past Electric Resource Plans (“ERP”), studies of where the best  
6 renewable resources exist, and knowledge of the renewable energy generation  
7 market.

8 **Q. WHAT RECOMMENDATIONS ARE YOU MAKING IN YOUR REBUTTAL**  
9 **TESTIMONY?**

10 A. The Commission should approve the Pathway Project and show that, yet again,  
11 the State of Colorado can and will lead the clean energy transition via  
12 implementing the public policy that has been passed in this State.





1 be located far from load centers. The growth of new resources seeking to  
2 interconnect to the transmission system and the differing characteristics of those  
3 resources are creating new demands on the transmission system.”<sup>2</sup> The ANOPR  
4 also seeks “to establish a process to identify geographic zones that have the  
5 potential for the development of large amounts of renewable generation and plan  
6 transmission to facilitate the integration of renewable resources in those zones”—  
7 which is exactly what the Pathway Project would do based on Energy Resource  
8 Zones identified here in Colorado under Senate Bill 07-100.<sup>3</sup>

9 Similarly, in June of this year, FERC took the meaningful step of creating a  
10 joint federal-state task force on electric transmission in collaboration with the  
11 National Association of Regulatory Commissioners (“NARUC”).<sup>4</sup> I view this joint  
12 task force as important, because state regulators and federal regulators have  
13 unique and key roles to play in facilitating transmission development.

14 While these developments and conversations are important, this  
15 Commission has a different opportunity here: to approve steel in the ground by  
16 advancing a necessary transmission loop that will simultaneously enhance  
17 reliability and advance progress toward State of Colorado energy policy objectives.

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<sup>2</sup> FERC News Release, Advance Notice of Proposed Rulemaking: Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection (July 15, 2021), available at <https://www.ferc.gov/news-events/news/advance-notice-proposed-rulemaking-building-future-through-electric-regional>.

<sup>3</sup> FERC News Release, Advance Notice of Proposed Rulemaking: Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection (July 15, 2021), available at <https://www.ferc.gov/news-events/news/advance-notice-proposed-rulemaking-building-future-through-electric-regional>.

<sup>4</sup> FERC News Release, *FERC, NARUC to Establish Joint Federal-State Task Force on Electric Transmission* (Jun. 17, 2021), available at <https://www.ferc.gov/news-events/news/ferc-naruc-establish-joint-federal-state-task-force-electric-transmission>.

1 In other words, the Pathway Project presents this Commission with the opportunity  
2 to take a concrete and substantial step forward, continuing its leadership on the  
3 national stage of climate issues and transformation of the power sector.

4 **Q. IS THE NOTION THAT TRANSMISSION AND CLEAN ENERGY**  
5 **DEVELOPMENT ARE INTERRELATED NEW IN COLORADO?**

6 A. No, but the Pathway Project is the most important development on this front yet.  
7 We saw the first wave of emission reductions actions without the need for new  
8 transmission (e.g., the Clean Air-Clean Jobs Act (“CACJA”) here in Colorado), but  
9 the CACJA was just the beginning of the Colorado clean energy transition story.  
10 As we took the next steps with the Rush Creek Wind Project and the Colorado  
11 Energy Plan, it became clear that we needed transmission development to unlock  
12 clean energy resources in remote parts of the State. Indeed, I do not think it is a  
13 stretch to say that the Rush Creek Gen-Tie, a 345 kV line designed to interconnect  
14 the Rush Creek Wind Project, but built to allow for additional generation  
15 interconnection, is what made the Colorado Energy Plan and its thousands of  
16 megawatts of affordable clean energy a reality.

17 Having filled the Rush Creek Gen-Tie with clean energy generation, we  
18 need to take the next step in Colorado’s biggest clean energy and emissions  
19 reduction endeavor yet—the 2021 ERP & CEP—bringing to life the codified  
20 objectives of the General Assembly and the energy policy objectives of the Polis  
21 Administration. The Pathway Project is a prerequisite to a successful 2021 ERP  
22 & CEP, and that is why we brought it before this Commission ahead of our Phase

1           II competitive solicitation. Moreover, we have established a need for the Pathway  
2           Project, and the Answer Testimony received in this proceeding supports that need.

3   **Q.   PLEASE EXPLAIN HOW THE ANSWER TESTIMONY SUPPORTS THE NEED**  
4   **FOR THE PATHWAY PROJECT.**

5   A.   The Pathway Project is supported by a broad and diverse set of stakeholders that  
6       represent important voices as the Commission evaluates the need for the Pathway  
7       Project. For example, the Project is supported by environmental and conservation  
8       interests through WRA, power developers represented through CIEA, Interwest,  
9       and COSSA/SEIA, and governmental interests through the CEO. These are  
10      important voices in the clean energy transition, and the collective support of these  
11      entities is indicative that the Pathway Project is needed and should move forward.

12 **Q.   ARE THESE THE ONLY PARTIES THAT SUPPORT THE PATHWAY**  
13 **PROJECT?**

14 A.   No. Others support the Project as well. For example, Staff supports the Project  
15      but with certain conditions and a statutory interpretation regarding cost recovery  
16      for the Project that I respectfully believe to be incorrect, as I will address later in  
17      my Rebuttal Testimony. The Colorado Office of the Utility Consumer Advocate  
18      ("UCA") does not outright oppose the Project, but believes more study is needed.  
19      To be sure, study is important for projects of this magnitude. However, our Direct  
20      Case established that a body of information, from projects bid into past ERPs to  
21      renewable resource potential studies to our general knowledge of resource  
22      procurement, all support the full buildout of the Pathway Project using the phased-  
23      in construction approach we detailed in our Direct Case and further supported in

1 our Supplemental Direct Case. Likewise, Answer Testimony from the developer  
2 community, armed with their own unique set of data and knowledge, reaffirms the  
3 need for the Project. We cannot—and should not—study potential options in  
4 perpetuity. The State of Colorado’s emission reduction goals both for the power  
5 sector and statewide demand action, and the Pathway Project is a considered and  
6 well-supported approach to facilitating that action.

7 **Q. ARE THERE ANY OTHER PARTY POSITIONS YOU WANT TO ADDRESS?**

8 A. There are other parties that advance variations of the UCA’s delay position, namely  
9 Colorado Energy Consumers (“CEC”) and LSP Transmission Holdings II, LLC and  
10 Western Energy Connection LLC (together, “LS Power”). These parties generally  
11 propose approval of only a segment of the Project with delay to moving forward  
12 with the remaining segments.<sup>5</sup> Approval of only a segment of the Pathway Project  
13 is not only inefficient, it is ineffective. We need network transmission loops in a  
14 timely manner to provide the full benefits of a project like the Pathway Project.  
15 Accordingly, the Commission should disregard these segmentation and delay  
16 arguments, as addressed in more detail through our Rebuttal Case, as the Project  
17 is needed not only to meet any Clean Energy Plan (“CEP”) proposal, but also the  
18 base ERP needs, and it is needed now.

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<sup>5</sup> See, e.g., Hr. Ex. 300, Answer Testimony of Dr. Scott E. England, at 5:7-9; Hr. Ex. 1100, Answer Testimony of James R. Dauphinais, at 7:6-18, 8:11-16; Hr. Ex. 1900, Answer Testimony of Sharon K. Segner, at 48:1-4.

1       **III.    THE PATHWAY PROJECT AND ITS IMPLICATIONS FOR THE FUTURE**

2       **Q.       WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

3       A.       The purpose of this section of my testimony is to address several forward-looking  
4           items related to the Pathway Project.  More specifically, I address the status of  
5           discussions around Organized Wholesale Markets (“OWM”) in Colorado, and  
6           potential partnerships with the Pathway Project.  None of these issues support a  
7           delay or reconsideration of the Pathway Project.  In fact, they support the need to  
8           move forward with it now.

9       **Q.       PLEASE START BY ADDRESSING THE OWM ISSUE.**

10      A.       Company witness Ms. Brooke A. Trammell provides a detailed response to Answer  
11           Testimony from UCA and CORE Electric Cooperative on this issue, but I want to  
12           provide a higher-level perspective as we advance the OWM discussion in Colorado  
13           and the broader western United States.  Senate Bill 21-072 was passed by the  
14           General Assembly after we filed our Certificate of Public Convenience and  
15           Necessity (“CPCN”) Application, and that bill provides direction to Colorado utilities  
16           and this Commission regarding the analysis of OWM options and the potential  
17           entry into a suitable OWM by 2030 if it satisfies certain factors delineated in the  
18           statute.  Senate Bill 21-072 specifically provides, however, that the movement  
19           towards OWM membership directed by the bill should not delay or impede the  
20           approval, acquisition, or construction of generation and transmission that is part of  
21           or ancillary to an ERP, including a CEP, that is filed prior to December 31, 2025,  
22           codified at § 40-5-108(4), C.R.S.  The General Assembly was aware of the filing  
23           of both the CPCN Application for the Pathway Project and our 2021 ERP & CEP,

1 and included specific language that neither should be impacted by the passage of  
2 the bill.

3 **Q. IS THE PATHWAY PROJECT INCONSISTENT<sup>6</sup> WITH MOVEMENT TOWARD**  
4 **OWM MEMBERSHIP?**

5 A. Not at all. The State of Colorado needs new transmission infrastructure to meet  
6 its energy policy and emission reduction goals, and the Pathway Project is  
7 specifically designed and brought forward to meet that objective. The Pathway  
8 Project can and would be a part of any OWM, and we need it now as opposed to  
9 waiting for the OWM discussion to move forward. Membership in an OWM is  
10 something that the Company is actively exploring, as reflected by our recent  
11 announcement of the formation of the Western Markets Exploratory Group earlier  
12 this month. Moreover, any OWM participation will not obviate the need for the  
13 Pathway Project. To the contrary, any future market structure will only be  
14 enhanced by improved and expanded grid infrastructure—which is exactly what  
15 the Pathway Project provides. Furthermore, one of the key items we will be looking  
16 at in evaluating OWM options is whether it will improve efficiency by optimizing the  
17 transmission infrastructure already in place—including the proposed Pathway  
18 Project. Therefore, any OWM that develops to serve Colorado will optimize the  
19 Pathway Project and just increase its already sizeable benefits.

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<sup>6</sup> See, e.g., Hr. Ex. 302, Answer Testimony of Christopher T.M. Clack, at 13:6-14.

1 **Q. DO YOU HAVE ANY OTHER POINTS YOU WANT TO MAKE WITH REGARD**  
2 **TO THE OWM ISSUE?**

3 A. Just one. The work towards an OWM in Colorado and the western United States  
4 is important and is a major policy development item that we are actively engaged  
5 in. At the same time, the State of Colorado—through the General Assembly  
6 actions in recent sessions and through the actions of this Commission—is at the  
7 leading edge of energy policy in this country, as far as I am concerned. Because  
8 of the State of Colorado’s position and approach to energy policy, there will always  
9 be fluid developments in the background of any application we bring forward to this  
10 Commission. Delaying the development of backbone transmission infrastructure,  
11 however, is simply not feasible if we want to maintain the reliability of our system  
12 that is increasingly dependent on variable resources far afield from load, stay on  
13 track for previous emission reduction commitments, and meet the State of  
14 Colorado’s energy policy goals. We have seen the foundational role that  
15 transmission plays in the clean energy transition with the Rush Creek Gen-Tie, and  
16 the Pathway Project will enable our biggest transition effort yet *and* fit into any  
17 OWM that develops in the future. I appreciate stakeholders raising the question  
18 of how the OWM conversation and the Pathway Project interrelate;<sup>7</sup> however, the  
19 General Assembly specifically addressed this interaction in Senate Bill 21-072 with  
20 direction not to delay. Moreover, we have established a need for the Pathway  
21 Project to unlock clean energy resources and reduce emissions. In sum, the OWM

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<sup>7</sup> Hr. Ex. 302, *See, e.g.*, Hr. Ex. 302, Answer Testimony of Christopher T.M. Clack, at 14:6-7 (“As proposed the CPP does not appear to consider any other markets connecting to the Colorado footprint.”).

1 efforts do not create an inconsistency with or a reason to pause or reconsider the  
2 Pathway Project.

3 **Q. TURNING TO POTENTIAL PARTNERSHIPS WITH OTHER UTILITIES, DO YOU**  
4 **HAVE AN UPDATE FOR THE COMMISSION ON THAT FRONT?**

5 A. Yes—just briefly. In my Direct Testimony, I noted that in bringing this Application  
6 forward, we were mindful of the State of Colorado’s objectives—including  
7 emissions reductions from not just Public Service or investor-owned utilities, but  
8 all utilities—in order to position the State to meet the aggressive economywide  
9 emissions reduction goals of House Bill 19-1261. As the Pathway Project was  
10 studied in the Colorado Coordinated Planning Group (“CCPG”) process, Tri-State  
11 Generation and Transmission Association, Inc. (“Tri-State”), Black Hills Energy  
12 (“BHE”), Colorado Springs Utilities (“CSU”), and Platte River Power Authority  
13 (“PRPA”) had discussed joint participation in the Project so that we can all  
14 potentially utilize the Pathway Project to meet the emission reduction goals  
15 codified by the General Assembly, as well as emission reduction goals pledged by  
16 the various utilities. At this time, I do not anticipate a structure where any of these  
17 other utilities own a portion of the Pathway Project. Rather, it would be developed  
18 consistent with the approach reflected in our Direct Case, with Public Service  
19 owning the project. It is important, however, that transmission *ownership* not be  
20 conflated with transmission *access*.

21 **Q. PLEASE EXPLAIN THAT DISTINCTION.**

22 A. This is an important distinction as the Commission evaluates the need for the  
23 Pathway Project. We have established the need for the project based on the clean



1 energy resources we will acquire as part of our 2021 ERP & CEP, but that does  
2 not mean that other utilities are prohibited from requesting service over the Project  
3 for the delivery of generation to their system. Transmission service is open access  
4 for transmission customers to use pursuant to a tariff regulated by the FERC, i.e.,  
5 our Xcel Energy Joint Open Access Transmission Tariff (“OATT”).<sup>8</sup> Consistent  
6 with our OATT and FERC Order No. 888, generation interconnection and  
7 transmission services are available on an open access and non-discriminatory  
8 basis for to all wholesale users. The Pathway Project will be incorporated into the  
9 FERC-regulated OATT, just as other transmission facilities owned by Public  
10 Service are. The OATT will govern the generation interconnection process and  
11 transmission service request process for the Pathway Project under open access  
12 principles. Network transmission customers of the Company will be able to request  
13 generation interconnection and transmission service on the Pathway Project for  
14 delivery to their respective system, consistent with FERC’s open access policy.  
15 Therefore, to the extent excess capacity is available on the Project, other utilities  
16 will be able to utilize the Pathway Project to deliver clean energy to meet their own  
17 respective power supply and emission reduction objectives. While an *ownership*

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<sup>8</sup> The Xcel Energy OATT is used to comply with certain FERC requirements for all of the Xcel Energy affiliate operating companies, including Public Service Company of Colorado (the Company) as well as Northern States Power (Minnesota) (“NSPM”), Northern States Power (Wisconsin) (“NSPW”), and Southwestern Public Service Co. (“SPS”). However, only Public Service Company of Colorado provide transmission and interconnection service under the Xcel Energy OATT. Service over the transmission facilities owned by NSPM and NSPW is offered under the open access transmission tariff of the Midcontinent Independent System Operator (“MISO”) and service is offered over the transmission facilities of SPS under the tariff of the Southwest Power Pool (“SPP”).

1 partnership is unlikely to move forward at this time, the Pathway Project can still  
2 assist in meeting the objectives and needs of other utilities.

1 **IV. STAFF'S STATUTORY INTERPRETATION**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

3 A. I mentioned earlier in my Rebuttal Testimony that Staff had offered a statutory  
4 interpretation of § 40-2-125.5, C.R.S. through Staff witness Mr. Gene L. Camp,  
5 and that I would address it. I do so here, focusing on the factual implications of  
6 Mr. Camp's interpretation.

7 **Q. WHY ARE YOU ONLY ADDRESSING THE FACTUAL IMPLICATIONS OF MR.  
8 CAMP'S STATUTORY INTERPRETATION?**

9 A. I am not a lawyer, and therefore I will not offer a point-by-point rebuttal of the Staff  
10 position. Rather, included as Attachment AKJ-2 to my Rebuttal Testimony is a  
11 Joint Brief developed by the Company, CEO, CIEA, COSSA/SEIA, Interwest,  
12 RMELC/CBCTC, and WRA that sets forth our collective interpretation of § 40-2-  
13 125.5(5)(a), C.R.S. While I recognize this is an unusual way to respond to Answer  
14 Testimony, Mr. Camp's Answer Testimony was legal in nature and therefore  
15 warrants a legal response. Here, I will address the implications of the Staff  
16 interpretation that, as explained in the Joint Brief, conflicts with the plain language  
17 of the statute.

18 **Q. WHAT ARE THE IMPLICATIONS OF STAFF'S INTERPRETATION?**

19 A. The Staff interpretation of § 40-2-125.5, C.R.S., and specifically the "clean energy  
20 plan revenue rider" and maximum one and one-half percent retail rate impact of  
21 § 40-2-125.5(5)(a), C.R.S. jeopardize the Company's ability to complete a CEP as  
22 contemplated by the statute. In other words, Staff's interpretation would create  
23 headwinds to the ability to advance a CEP, with repercussions for our customers

1 and the State of Colorado in its efforts to meet the statewide emissions reductions  
2 goals of House Bill 19-1261.

3 **Q. HOW DOES THE INABILITY TO ADVANCE A CEP INHIBIT THE ABILITY OF**  
4 **THE STATE OF COLORADO TO MEET STATEWIDE EMISSIONS**  
5 **REDUCTIONS GOALS?**

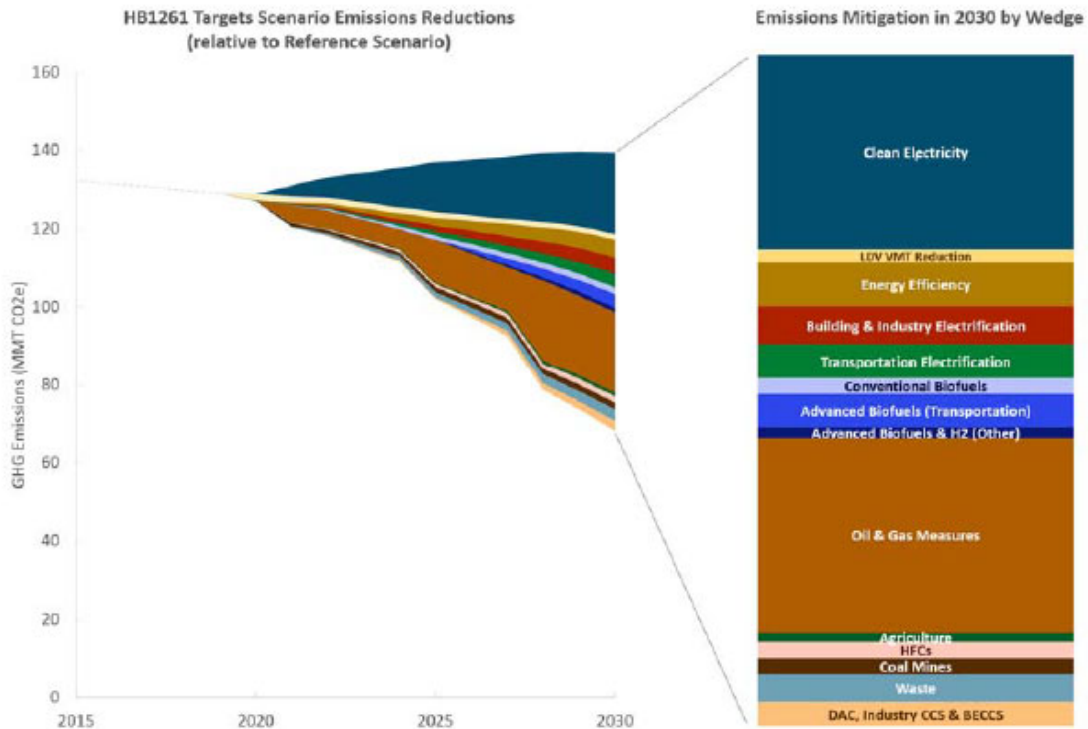
6 A. In my Direct Testimony, I sponsored Attachment AKJ-1, which is a copy of the  
7 Colorado Greenhouse Gas Pollution Reduction Roadmap (“Roadmap”). I  
8 provided Figure 3 of the Roadmap<sup>9</sup> in my testimony as Figure AKJ-D-1, which  
9 illustrates the leading role that emissions reduction from the power sector play in  
10 overall state efforts to reduce emissions across the economy and copy it here for  
11 ease of reference.

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<sup>9</sup> Attachment AKJ-1, at 21.

1

**Figure AKJ-R-1: Roadmap Emission Reductions by Sector**



2

This figure shows that a significant portion of the reductions necessary to meet the 2030 emission reduction goals of House Bill 19-1261 are dependent on CEPs filed pursuant to Senate Bill 19-236, and the Roadmap noted that “[a]chieving the 2030 goals will rely on deep reductions in pollution from electricity generation by continuing the transition to renewable energy ....”<sup>10</sup> Moreover, it recognized that “[o]ne important benefit flowing from the rapid transition towards clean electricity is that it magnifies the pollution reduction, public health, and other benefits of electrification in other sectors, such as cars and buildings.”<sup>11</sup> The Company has

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<sup>10</sup> Attachment AKJ-1, at 22.

<sup>11</sup> Attachment AKJ-1, at 174.

1 always known that it would be a challenge to bring forward a CEP that could meet  
2 or exceed the 2030 clean energy target of Senate Bill 19-236; however, we have  
3 met that challenge with our Preferred Plan as filed in Proceeding No. 21A-0141E.  
4 Yet, Staff offers a statutory interpretation that would potentially foreclose this path  
5 based upon a mistaken interpretation of § 40-2-125.5(5)(a), C.R.S., as explained  
6 in more detail in the Joint Brief.

7 **Q. WHY WOULD IT POTENTIALLY FORECLOSE THE ABILITY OF THE**  
8 **COMPANY TO ADVANCE ITS CEP?**

9 A. The consequences of Staff's interpretation are to take a transmission project  
10 designed to facilitate emission reductions both for 2030 and beyond, and which is  
11 available for use by Public Service and other Colorado utilities under open access  
12 principles, and load the costs into a rate stability mechanism that was not designed  
13 to include them. To be sure, the Pathway Project is needed to unlock the clean  
14 energy resources projected as part of the CEP. But the CEPR section of the  
15 statute, § 40-2-125.5(5)(a), C.R.S., expressly excludes "fuel and transmission  
16 costs" from the maximum one and one-half percent retail rate impact recovered  
17 through the CEPR. Staff's interpretation reads that exclusion out of the statute by  
18 taking the position that the *entirety* of CEP-related costs can only result in a one  
19 and one-half percent retail rate impact. That is incorrect.

20 **Q. ARE THERE ANY UNINTENDED CONSEQUENCES OF THE STATUTORY**  
21 **INTERPRETATION OFFERED BY STAFF?**

22 A. Yes—several. First, Staff's interpretation has the unintended consequence of  
23 undermining the Roadmap, which assumes and relies on 80 percent emissions

1 reductions from 2005 levels by 2030 from Colorado utilities to further the statewide  
2 emissions reduction objectives of House Bill 19-1261.

3 Second, it creates a choice for Public Service—either do the Pathway  
4 Project or do a CEP—which is the ultimate chicken and egg dilemma with major  
5 climate consequences associated with it. I do not think the General Assembly, or  
6 this Commission, contemplated the utility making such a choice. Incremental  
7 transmission will be required to meet the 2030 clean energy target, and the  
8 question is whether to utilize the Pathway’s networked, efficient, strategic, and  
9 reliable backbone infrastructure or to build numerous, long, small radial lines  
10 crisscrossing Colorado. The Answer Testimony from developers and others in this  
11 proceeding makes that answer clear: the Company should build the Pathway  
12 Project.

13 **Q. HAS THE COMPANY ANALYZED THE COST CONSEQUENCES OF STAFF’S**  
14 **INTERPRETATION?**

15 A. Yes. The Company performed an analysis that compared the following: (1) the  
16 Company’s Preferred Plan as proposed in Proceeding 21A-0141E (achieving an  
17 approximately 85 percent emissions reduction from 2005 levels by 2030); versus  
18 (2) the total cost of an ERP-only portfolio that only achieves a 69 percent emissions  
19 reduction from 2005 levels by 2030.

20 **Q. HOW DID THE COMPANY PERFORM THIS ANALYSIS?**

21 A. First, the Company measured the cost difference between the modeled CEP  
22 generation portfolio and the ERP generation portfolio. Generation portfolio  
23 modeling was completed as part of Phase I of the Company’s 2021 ERP & CEP in

1 Proceeding No. 21A-0141E. Second, the Company measured and compared a  
2 “CEP-Pathway” revenue requirement to an “ERP-Pathway” revenue requirement  
3 based on the capital outlay and in-service timing described in the Company’s  
4 Direct and Supplemental Direct Testimony for the Project. Third, the Company  
5 attempted to estimate the so-called “incremental” cost of other transmission  
6 investment (i.e., the May Valley-Longhorn Extension and the network upgrades  
7 and voltage support projects described in our Direct Case) by taking the ratio of  
8 the Pathway Project versus the ERP-only transmission hypothetical and assigning  
9 that ratio to these potential transmission investments. This ratio is 63 percent, as  
10 the ERP-only transmission hypothetical represents 63 percent of the cost of the  
11 Pathway Project less the May Valley-Longhorn Extension. Finally, the sum of  
12 these costs were compared to collections set at a maximum of one and one-half  
13 percent beginning in 2024.

14 **Q. WHAT DID YOUR ANALYSIS SHOW?**

15 A. By 2030, cumulative additional expenditures are approximately \$327 million  
16 greater than collections, as shown in the table below.



1

**Table AKJ-R-1**

CEP 1.5% Collections vs Costs Balance (\$000)							
Year	ERP vs CEP Production	ERP vs CEP Pathway	ERP vs CEP MV_L & DU	Total Additional Costs	1.5% Collections	Annual Excess/ (Deficiency)	Rolling Balance (Deferred)
2020							\$ -
2021	\$ -	\$ 22	\$ 29	\$ 51	\$ -	\$ (51)	\$ (51)
2022	\$ -	\$ 270	\$ 346	\$ 617	\$ -	\$ (617)	\$ (668)
2023	\$ -	\$ 3,088	\$ 3,297	\$ 6,385	\$ -	\$ (6,385)	\$ (7,052)
2024	\$ 883	\$ 10,384	\$ 11,079	\$ 22,346	\$ 43,810	\$ 21,465	\$ 14,412
2025	\$ -	\$ 20,581	\$ 14,496	\$ 35,078	\$ 44,248	\$ 9,171	\$ 23,583
2026	\$ 20,059	\$ 37,909	\$ 22,606	\$ 80,574	\$ 44,691	\$ (35,883)	\$ (12,300)
2027	\$ 19,006	\$ 38,531	\$ 21,907	\$ 79,444	\$ 45,138	\$ (34,306)	\$ (46,606)
2028	\$ 44,877	\$ 50,202	\$ 21,279	\$ 116,358	\$ 46,041	\$ (70,318)	\$ (116,924)
2029	\$ 56,765	\$ 48,693	\$ 20,668	\$ 126,126	\$ 46,961	\$ (79,164)	\$ (196,088)
2030	\$ 111,631	\$ 47,270	\$ 20,089	\$ 178,990	\$ 47,901	\$ (131,089)	\$ (327,177)
Total	\$ 253,220	\$ 256,952	\$ 135,796	\$ 645,967	\$ 318,790	\$ (327,177)	

2 **Q. WHY DID THE COMPANY ASSUME CEPR COLLECTIONS BEGINNING IN**  
 3 **2024?**

4 A. Section 40-2-125.5(a)(II), C.R.S. provides that the CEPR “may be established as  
 5 early as the year following approval of a clean energy plan by the Commission,  
 6 and the qualifying retail utility may propose a commencement date and level no  
 7 greater than the maximum electric retail rate impact.”<sup>12</sup> For purposes of this  
 8 analysis, the Company assumed a final Phase II decision in Proceeding No. 21A-  
 9 0141E in early 2023, which results in the CEPR commencing in 2024 as “the year  
 10 following approval of a clean energy plan by the Commission ....”<sup>13</sup>

11 **Q. WHAT DOES THIS ANALYSIS SHOW IN YOUR VIEW?**

12 A. It shows two things: (1) when Staff’s overly broad interpretation of the retail rate  
 13 impact provision of the statute is applied, the result based on our analysis is

<sup>12</sup> § 40-2-125.5(a)(II), C.R.S.

<sup>13</sup> § 40-2-125.5(a)(II), C.R.S.

1 significant deferred balances in the later years of the CEPR and a substantial  
2 deferred balance at the end of the CEPR; and (2) it shows that a significant amount  
3 of deferred costs would be borne by customers after 2030, as the statute provides  
4 that “any negative balance shall be incorporated into the qualifying retail utility’s  
5 rates.”<sup>14</sup> These practical implications raise issues of intergenerational equity;  
6 moreover, they are the result of an interpretation that is contrary to the plain  
7 language of the statute, as explained in the Joint Brief.

8 **Q. DO YOU HAVE ANY OTHER COMMENTS ABOUT THE INTERPRETATION**  
9 **AND THE ANALYSIS ABOVE?**

10 A. Yes. I referred to the ERP transmission-only hypothetical above, and I use these  
11 words for a reason. In our Supplemental Direct Case, Company witness Ms.  
12 Trammell explained that the ERP-only transmission hypothetical was provided to  
13 illustrate the difference in cost between the Pathway Project and a downsized  
14 transmission project that would only accommodate a “business as usual ERP  
15 portfolio”, *i.e.*, not meeting the clean energy target of Senate Bill 19-236.  
16 Importantly, she explained that “the downsized version of the project would not  
17 make sense from a transmission planning perspective because there would be no  
18 headroom for future clean energy additions in eastern Colorado as the clean  
19 energy transition continues in the State for us or for other Colorado utilities.”<sup>15</sup>

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<sup>14</sup> § 40-2-125.5(5)(a)9V), C.R.S.

<sup>15</sup> See Supplemental Direct Testimony of Brooke A. Trammell, at 10:5 – 11:7 (providing a more extensive explanation of the purpose of the ERP transmission analysis).

1           We developed the ERP-only transmission hypothetical in response to  
2 requests from parties, including Staff, as exactly that—a hypothetical. It could  
3 potentially be used in comparing the costs in the bid evaluation process for CEP  
4 portfolios versus a business as usual ERP portfolio, but it is not a viable alternative  
5 to the Pathway Project because it simply does not make sense from a transmission  
6 development perspective. If we had built the Rush Creek Gen-Tie at 230 kV as  
7 opposed to 345 kV, I think it is reasonable to assume that the Colorado Energy  
8 Plan would not have been possible. The same logic holds true here: Even if we  
9 were pursuing an ERP-only portfolio, it would still make sense to build the line  
10 larger and with increased capacity to account for future growth. This hypothetical  
11 analysis is now being used to try and artificially limit the ability of the Company to  
12 advance a CEP by constraining the CEPR, which is not what it was intended for  
13 nor is it an avenue that would be pursued under general principles of transmission  
14 planning. This provides another reason, in my opinion, why the practical  
15 implications of Staff's CEPR interpretation are problematic.

16 **Q. DO YOU HAVE ANY SPECIFIC RECOMMENDATIONS IN RESPONSE TO**  
17 **STAFF'S CEPR INTERPRETATION?**

18 A. Yes. To close, the Commission should not adopt the CEPR interpretation as  
19 presented by Staff and should instead adopt the interpretation for use in both this  
20 proceeding and the 2021 ERP & CEP proceeding set forth in the Joint Brief. The  
21 interpretation detailed in the Joint Brief, and supported by numerous intervenors  
22 and their counsel, is consistent with the plain language of the statute and avoids  
23 the problematic factual implications that I have detailed here.

1                                   **V.   RECOMMENDATIONS AND CONCLUSION**

2   **Q.   PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

3   A.   This Commission has another opportunity in this proceeding to show the rest of  
4       the country leadership in the clean energy transition by approving the Pathway  
5       Project. It provides the backbone transmission that the State of Colorado needs  
6       to propel the power sector towards the 2030 clean energy targets as established  
7       by State of Colorado policy and takes a meaningful step in building out the  
8       infrastructure necessary to facilitate a carbon-free future for the Company and the  
9       Colorado power sector even beyond Public Service. We have established a need  
10      for the Project, and the Answer Testimony from intervenors that will have members  
11      offering projects into our upcoming Phase II competitive solicitation reinforces that  
12      this is the right time and the Project we need to take the next step in the clean  
13      energy transition by meeting and exceeding the 2030 clean energy target of  
14      Senate Bill 19-236. The Pathway Project is needed and in the public interest, and  
15      it should be approved by the Commission.

16   **Q.   DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

17   A.   Yes.

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

\* \* \* \* \*

IN THE MATTER OF THE APPLICATION )  
OF PUBLIC SERVICE COMPANY OF )  
COLORADO FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY )  
FOR COLORADO'S POWER PATHWAY ) PROCEEDING NO. 21A-0096E  
345 KV TRANSMISSION PROJECT AND )  
ASSOCIATED FINDINGS REGARDING )  
NOISE AND MAGNETIC FIELD )  
REASONABLENESS )

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AFFIDAVIT OF ALICE K. JACKSON  
ON BEHALF OF  
PUBLIC SERVICE COMPANY OF COLORADO


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I, Alice K. Jackson, being duly sworn, state that the Rebuttal Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Rebuttal Testimony and attachments are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

Dated at Denver, Colorado, this 20<sup>th</sup> day of October, 2021.

  
\_\_\_\_\_  
Alice K. Jackson  
President, Public Service Company of Colorado

Subscribed and sworn to before me this 20<sup>th</sup> day of October, 2021.

  
\_\_\_\_\_  
Notary Public

My Commission expires April 13, 2025

