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

* * * * *

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

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

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

A. The purpose of my Rebuttal Testimony is to provide an overview of the Company’s Rebuttal Case from my perspective as President of Public Service. An important backdrop here is the need to build transmission to continue to move the clean energy transition forward in a timely and reliable manner. The clean energy transition is occurring in stages, with changes to the bulk electric system and the way it behaves at each stage, from the type of power injected to where it is injected. Transmission is critical to collect and move new power sources to load, while also providing operating optionality to cover new operating risks introduced as the
system transitions. With the Colorado’s Power Pathway Project (“Pathway Project” or “Project”), we have advanced a detailed and well-supported proposal to make eastern Colorado transmission a reality, facilitate the transformative 2021 Electric Resource Plan and Clean Energy Plan (“2021 ERP & CEP”), and position the transmission system in Colorado for the future.

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

The era of “just in time” transmission development—where transmission projects are determined after generation is sited—is in the past, and the time for a forward-looking strategy for transmission development, as codified by the General Assembly in 2007 through Senate Bill 07-100, is now. To that point, the need for the Project is information-driven, e.g., information about the Energy Resource Zones established by Senate Bill 07-100 and information on bid locations from our Colorado Energy Plan solicitation in Proceeding No. 16A-0396E—where we
received over 400 bids but only 11 made it into the final approved plan, leaving a substantial number of projects looking for another opportunity. The Pathway Project unlocks that opportunity, resting on a supported “Field of Dreams” strategy for transmission development—“if you build it, they will come”—informed by projects bid into past Electric Resource Plans (“ERP”), studies of where the best renewable resources exist, and knowledge of the renewable energy generation market.

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

A. The Commission should approve the Pathway Project and show that, yet again, the State of Colorado can and will lead the clean energy transition via implementing the public policy that has been passed in this State.
II. THE TRANSMISSION STATE OF PLAY NATIONALLY AND IN THIS PROCEEDING

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

A. In Answer Testimony, parties offer a variety of positions, with many in full support but several in what I would call a “delay” or “segment and wait” type of approach. Against that backdrop, this section of my testimony provides a brief overview of the transmission policy state of play, which I view as helpful in considering this Application and the positions of parties.

Q. WHAT DO YOU MEAN BY THE “STATE OF PLAY”?

A. I mean the status of the policy conversation at a national level and within this proceeding. Starting broadly, in the energy policy space today, there are discussions ongoing, studies undertaken, and the beginnings of actions to advance the development of transmission to facilitate the next steps in the clean energy transition. Particularly in the Western Interconnection, we have not had a specific focus on the interaction of transmission development and reliable clean energy development, despite the fact that the two are joined at the hip. Indeed, just since the Company filed this case at the beginning of March, the Federal Energy Regulatory Commission (“FERC”) has commenced an Advance Notice of Proposed Rulemaking (“ANOPR”) process with a focus on transmission planning, noting in part that “[t]he electric generation fleet is shifting from resources located close to population centers toward resources, including renewables, that may often

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

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

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

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

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

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

Having filled the Rush Creek Gen-Tie with clean energy generation, we need to take the next step in Colorado’s biggest clean energy and emissions reduction endeavor yet—the 2021 ERP & CEP—bringing to life the codified objectives of the General Assembly and the energy policy objectives of the Polis Administration. The Pathway Project is a prerequisite to a successful 2021 ERP & CEP, and that is why we brought it before this Commission ahead of our Phase
Q. PLEASE EXPLAIN HOW THE ANSWER TESTIMONY SUPPORTS THE NEED FOR THE PATHWAY PROJECT.

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

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

A. No. Others support the Project as well. For example, Staff supports the Project but with certain conditions and a statutory interpretation regarding cost recovery for the Project that I respectfully believe to be incorrect, as I will address later in my Rebuttal Testimony. The Colorado Office of the Utility Consumer Advocate (“UCA”) does not outright oppose the Project, but believes more study is needed. To be sure, study is important for projects of this magnitude. However, our Direct Case established that a body of information, from projects bid into past ERPs to renewable resource potential studies to our general knowledge of resource procurement, all support the full buildout of the Pathway Project using the phased-in construction approach we detailed in our Direct Case and further supported in
our Supplemental Direct Case. Likewise, Answer Testimony from the developer
community, armed with their own unique set of data and knowledge, reaffirms the
need for the Project. We cannot—and should not—study potential options in
perpetuity. The State of Colorado’s emission reduction goals both for the power
sector and statewide demand action, and the Pathway Project is a considered and
well-supported approach to facilitating that action.

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

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

⁵ 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.
III. THE PATHWAY PROJECT AND ITS IMPLICATIONS FOR THE FUTURE

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

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

Q. PLEASE START BY ADDRESSING THE OWM ISSUE.

A. Company witness Ms. Brooke A. Trammell provides a detailed response to Answer Testimony from UCA and CORE Electric Cooperative on this issue, but I want to provide a higher-level perspective as we advance the OWM discussion in Colorado and the broader western United States. Senate Bill 21-072 was passed by the General Assembly after we filed our Certificate of Public Convenience and Necessity (“CPCN”) Application, and that bill provides direction to Colorado utilities and this Commission regarding the analysis of OWM options and the potential entry into a suitable OWM by 2030 if it satisfies certain factors delineated in the statute. Senate Bill 21-072 specifically provides, however, that the movement towards OWM membership directed by the bill should not delay or impede the approval, acquisition, or construction of generation and transmission that is part of or ancillary to an ERP, including a CEP, that is filed prior to December 31, 2025, codified at § 40-5-108(4), C.R.S. The General Assembly was aware of the filing of both the CPCN Application for the Pathway Project and our 2021 ERP & CEP,
and included specific language that neither should be impacted by the passage of
the bill.

Q. IS THE PATHWAY PROJECT INCONSISTENT\(^6\) WITH MOVEMENT TOWARD
OWM MEMBERSHIP?

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

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

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

\(^7\) 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.”).
efforts do not create an inconsistency with or a reason to pause or reconsider the
Pathway Project.

Q. TURNING TO POTENTIAL PARTNERSHIPS WITH OTHER UTILITIES, DO YOU
HAVE AN UPDATE FOR THE COMMISSION ON THAT FRONT?
A. Yes—just briefly. In my Direct Testimony, I noted that in bringing this Application
forward, we were mindful of the State of Colorado’s objectives—including
emissions reductions from not just Public Service or investor-owned utilities, but
all utilities—in order to position the State to meet the aggressive economywide
emissions reduction goals of House Bill 19-1261. As the Pathway Project was
studied in the Colorado Coordinated Planning Group (“CCPG”) process, Tri-State
Generation and Transmission Association, Inc. (“Tri-State”), Black Hills Energy
(“BHE”), Colorado Springs Utilities (“CSU”), and Platte River Power Authority
(“PRPA”) had discussed joint participation in the Project so that we can all
potentially utilize the Pathway Project to meet the emission reduction goals
codified by the General Assembly, as well as emission reduction goals pledged by
the various utilities. At this time, I do not anticipate a structure where any of these
other utilities own a portion of the Pathway Project. Rather, it would be developed
consistent with the approach reflected in our Direct Case, with Public Service
owning the project. It is important, however, that transmission *ownership* not be
conflated with transmission *access*.

Q. PLEASE EXPLAIN THAT DISTINCTION.
A. This is an important distinction as the Commission evaluates the need for the
Pathway Project. We have established the need for the project based on the clean
energy resources we will acquire as part of our 2021 ERP & CEP, but that does not mean that other utilities are prohibited from requesting service over the Project for the delivery of generation to their system. Transmission service is open access for transmission customers to use pursuant to a tariff regulated by the FERC, i.e., our Xcel Energy Joint Open Access Transmission Tariff (“OATT”). Consistent with our OATT and FERC Order No. 888, generation interconnection and transmission services are available on an open access and non-discriminatory basis for to all wholesale users. The Pathway Project will be incorporated into the FERC-regulated OATT, just as other transmission facilities owned by Public Service are. The OATT will govern the generation interconnection process and transmission service request process for the Pathway Project under open access principles. Network transmission customers of the Company will be able to request generation interconnection and transmission service on the Pathway Project for delivery to their respective system, consistent with FERC’s open access policy. Therefore, to the extent excess capacity is available on the Project, other utilities will be able to utilize the Pathway Project to deliver clean energy to meet their own respective power supply and emission reduction objectives. While an ownership

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8 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”).
partnership is unlikely to move forward at this time, the Pathway Project can still assist in meeting the objectives and needs of other utilities.
IV. STAFF’S STATUTORY INTERPRETATION

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?
A. I mentioned earlier in my Rebuttal Testimony that Staff had offered a statutory interpretation of § 40-2-125.5, C.R.S. through Staff witness Mr. Gene L. Camp, and that I would address it. I do so here, focusing on the factual implications of Mr. Camp’s interpretation.

Q. WHY ARE YOU ONLY ADDRESSING THE FACTUAL IMPLICATIONS OF MR. CAMP’S STATUTORY INTERPRETATION?
A. I am not a lawyer, and therefore I will not offer a point-by-point rebuttal of the Staff position. Rather, included as Attachment AKJ-2 to my Rebuttal Testimony is a Joint Brief developed by the Company, CEO, CIEA, COSSA/SEIA, Interwest, RMELC/CBCTC, and WRA that sets forth our collective interpretation of § 40-2-125.5(5)(a), C.R.S. While I recognize this is an unusual way to respond to Answer Testimony, Mr. Camp’s Answer Testimony was legal in nature and therefore warrants a legal response. Here, I will address the implications of the Staff interpretation that, as explained in the Joint Brief, conflicts with the plain language of the statute.

Q. WHAT ARE THE IMPLICATIONS OF STAFF’S INTERPRETATION?
A. The Staff interpretation of § 40-2-125.5, C.R.S., and specifically the “clean energy plan revenue rider” and maximum one and one-half percent retail rate impact of § 40-2-125.5(5)(a), C.R.S. jeopardize the Company’s ability to complete a CEP as contemplated by the statute. In other words, Staff’s interpretation would create headwinds to the ability to advance a CEP, with repercussions for our customers
and the State of Colorado in its efforts to meet the statewide emissions reductions goals of House Bill 19-1261.

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

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

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9 Attachment AKJ-1, at 21.
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 ....”\textsuperscript{10} 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.”\textsuperscript{11} The Company has

\textsuperscript{10} Attachment AKJ-1, at 22.

\textsuperscript{11} Attachment AKJ-1, at 174.
always known that it would be a challenge to bring forward a CEP that could meet
or exceed the 2030 clean energy target of Senate Bill 19-236; however, we have
met that challenge with our Preferred Plan as filed in Proceeding No. 21A-0141E.
Yet, Staff offers a statutory interpretation that would potentially foreclose this path
based upon a mistaken interpretation of § 40-2-125.5(5)(a), C.R.S., as explained
in more detail in the Joint Brief.

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

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

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

A. Yes—several. First, Staff’s interpretation has the unintended consequence of
undermining the Roadmap, which assumes and relies on 80 percent emissions
reductions from 2005 levels by 2030 from Colorado utilities to further the statewide emissions reduction objectives of House Bill 19-1261.

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

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

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

Q. HOW DID THE COMPANY PERFORM THIS ANALYSIS?

A. First, the Company measured the cost difference between the modeled CEP generation portfolio and the ERP generation portfolio. Generation portfolio modeling was completed as part of Phase I of the Company’s 2021 ERP & CEP in
Proceeding No. 21A-0141E. Second, the Company measured and compared a “CEP-Pathway” revenue requirement to an “ERP-Pathway” revenue requirement based on the capital outlay and in-service timing described in the Company’s Direct and Supplemental Direct Testimony for the Project. Third, the Company attempted to estimate the so-called “incremental” cost of other transmission investment (i.e., the May Valley-Longhorn Extension and the network upgrades and voltage support projects described in our Direct Case) by taking the ratio of the Pathway Project versus the ERP-only transmission hypothetical and assigning that ratio to these potential transmission investments. This ratio is 63 percent, as the ERP-only transmission hypothetical represents 63 percent of the cost of the Pathway Project less the May Valley-Longhorn Extension. Finally, the sum of these costs were compared to collections set at a maximum of one and one-half percent beginning in 2024.

Q. WHAT DID YOUR ANALYSIS SHOW?

A. By 2030, cumulative additional expenditures are approximately $327 million greater than collections, as shown in the table below.
Hearing Exhibit 111, Rebuttal Testimony and Attachments of Alice K. Jackson  
Proceeding No. 21A-0096E  
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Table AKJ-R-1

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<th>ERP vs CEP Pathway</th>
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<td>$ 318,790</td>
<td>$ (327,177)</td>
<td></td>
</tr>
</tbody>
</table>

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

A. Section 40-2-125.5(a)(II), C.R.S. provides that the CEPR "may be established as early as the year following approval of a clean energy plan by the Commission, and the qualifying retail utility may propose a commencement date and level no greater than the maximum electric retail rate impact."\(^{12}\) For purposes of this analysis, the Company assumed a final Phase II decision in Proceeding No. 21A-0141E in early 2023, which results in the CEPR commencing in 2024 as "the year following approval of a clean energy plan by the Commission ...."\(^{13}\)

Q. WHAT DOES THIS ANALYSIS SHOW IN YOUR VIEW?

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

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\(^{12}\) § 40-2-125.5(a)(II), C.R.S.

\(^{13}\) § 40-2-125.5(a)(II), C.R.S.
significant deferred balances in the later years of the CEPR and a substantial deferred balance at the end of the CEPR; and (2) it shows that a significant amount of deferred costs would be borne by customers after 2030, as the statute provides that “any negative balance shall be incorporated into the qualifying retail utility’s rates.” These practical implications raise issues of intergenerational equity; moreover, they are the result of an interpretation that is contrary to the plain language of the statute, as explained in the Joint Brief.

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

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

14 § 40-2-125.5(5)(a)(9V), C.R.S.

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

Q. DO YOU HAVE ANY SPECIFIC RECOMMENDATIONS IN RESPONSE TO STAFF’S CEPR INTERPRETATION?

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

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

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

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.
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 PATHWAY
345 KV TRANSMISSION PROJECT AND
ASSOCIATED FINDINGS REGARDING
NOISE AND MAGNETIC FIELD
REASONABLENESS

PROCEEDING NO. 21A-0096E

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

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 20th day of October, 2021.

Alice K. Jackson
President, Public Service Company of Colorado

Subscribed and sworn to before me this 20th day of October, 2021.

Holly A. Mashburn
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214014663
MY COMMISSION EXPIRES April 13, 2023

My Commission expires April 13, 2023

Notary Public

My Commission expires April 13, 2023