

COMMENTS OF TRANS-ELECT DEVELOPMENT COMPANY, LLC AND THE WYOMING INFRASTRUCTURE AUTHORITY ON THE PUBLIC VERSION OF REVISED THE PUBLIC SERVICE COMPANY OF COLORADO ALL-SOURCE SOLICITATION 120-DAY REPORT

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2007 COLORADO RESOURCE PLAN

Through undersigned counsel, Trans-Elect Development Company, LLC, and the Wyoming Infrastructure Authority (the “WCI Interveners”) offer the following comments on the public version of the Revised Public Service Company All-Source Solicitation 120-Day Report (“Report”) filed herein on August 28, 2009. The comments deal primarily with the process by which Public Service evaluated and selected wind bids in the 2009 RFP, and how this process affects and will continue to affect transmission planning decisions. The comments specifically critique portions of the “Wyoming Wind Bids” section contained at pages 50-55 of the Report.

I Introduction and Summary

The WCI Interveners respectfully call for an investigation by the Independent Evaluator (IE) of the process by which Public Service evaluated and selected wind bids in the 2009 RFP. The WCI Interveners believe that the evaluation and selection process was flawed because it failed to consider the value of new interconnected transmission facilities that provide increased reliability and economic benefits by increasing access to regions outside of Public Service’s own control area and because the analysis unfairly mischaracterized Wyoming wind. It appears that Public Service made wind (and perhaps other supply-side) resource acquisition decisions that primarily favor its own sunk investment in intrastate transmission, and in doing so may have failed to select either the lowest cost or the best quality wind resources for its preferred portfolio.

These flaws in Public Service’s approach to wind resource selection appear to subvert Colorado legislative policy, Commission directives and ongoing Commission policy initiatives intended to promote the simultaneous development of beneficial supply-side resources and a robust interconnected intra- and inter-state network transmission system. In disregard of the policies underlying Senate Bill 07-100, Public Service excluded from serious resource selection consideration beneficial, low-cost, high-quality wind resources located regions that are not currently served, or currently committed to be

served, by Public Service-owned bulk transmission. The result is that Public Service's selection of wind bids in the 2009 RFP is likely to encourage the further construction and direct interconnection to Public Service-owned bulk transmission of intermediate-voltage, single-purpose, project-specific radial transmission lines that, while enabling individual bid winners to reach load, do not improve, strengthen, diversify or expand the state or regional network transmission system.

A further result is that independent network transmission projects such as the Wyoming-Colorado Intertie will not be built. Since no stand-alone process exists by which such independent projects can be bid to regulated electric utilities, they can only be brought to successful development if the utility-controlled resource acquisition process fairly considers both (a) the individual wind or other bids that intend to utilize them, and (b) the value that the proposed independent transmission projects provide customers, the utility and the larger interconnected system. Based on the evidence available, the WCI Interveners do not believe that either the wind bids that proposed to utilize the Wyoming-Colorado Intertie, or the Wyoming-Colorado Intertie itself, received such fair consideration.

The WCI Interveners respectfully request that the Commission direct the Independent Evaluator to make its own investigation of the matters raised by the WCI Interveners herein. Such an investigation is necessary because, while the WCI Interveners offer below what they believe is convincing documentation that the wind bid evaluation and selection process in the 2009 RFP was inappropriate, this documentation is based on publicly available data and therefore necessarily limited. The WCI Interveners have been unable to gain access to extensive raw data relevant to Public Service's wind bid evaluation and selection process. This is because Public Service has taken advantage of the constraints placed by the ERP rules on Phase 2 intervener self-help, and of the Commission's unprecedented Phase 2 confidentiality restrictions, to withhold information that in previous resource acquisition proceedings before the Commission would have been available to interveners, if only on confidential basis, with relative ease. An investigation by the IE is therefore the only meaningful way to address the issues raised by WCI Interveners.

We quote at length from the Commission's own recent observation in this docket on the role of the IE:

6. Further, in Decision No. C09-0958, mailed August 28, 2009 (*Phase II Procedural Order*), at paragraph 4, the Commission stated that:

We also note that the Commission, in promulgating the ERP rules, did not design the expedited Phase II process to be a forum where disputes between bidders and between bidders and utilities could be adjudicated. Instead, ***the Commission found that an Independent Evaluator (IE) will assist the Commission in determining whether the bid process was executed fairly and in compliance with the Commission's rules.*** The IE would also

provide expertise regarding complex issues and analyses in resource portfolio modeling. The Commission concluded that assistance by *the IE represents the best solution to address these matters in a timely manner*. See Decision No. C07-0829, issued in Docket No. 07R-0368E, at ¶¶ 36-37. We therefore find that an entity seeking intervention in the Phase II proceeding will need to demonstrate an interest other than simply being a bidder or advocating an individual bidder’s position.

7. *The Commission has retained the IE in this docket, inter alia, for the following purposes: (1) to assist the Commission in determining whether Public Service conducted the bid evaluation process fairly and in compliance with the Rules; and (2) to provide expertise regarding complex issues involved in resource portfolio modeling. We believe that the oversight provided by the IE is critical* to ensuring that individual bidders such as J-POWER are treated fairly and that benefits associated with their bids, such as dispatchable energy storage, are properly taken into consideration.

Decision No. C09-1127 (October 1, 2009), ¶ B. 6-7, page 3. Emphasis added.

This is an occasion on which the Commission must call on the IE to assist it in determining whether Public Service conducted the bid evaluation process fairly.

II. Wyoming Wind Bids

We first address the Wyoming Wind Bids section of the Report, pages 50-55. This is because it contains more non-redacted data than other parts of the report, and also because it illustrates analytical flaws that the WCI Interveners believe may have contaminated the entire process by which Public Service evaluated and selected wind bids submitted in the 2009 RFP.

In the Wyoming Wind Bids section of the Report, Public Service states that it received seven wind bids from SE Wyoming wind developers and 37 bids from Colorado wind bidders in the 2009 RFP.¹ The seven Wyoming wind bids were seven distinct projects from seven separate developers for a total of 1,463.6 MW of nameplate capacity.²

The Company states that the seven bids it received in the 2009 RFP process from Wyoming bidders were not competitive with Colorado wind bids in price, were not superior to Colorado wind bids in capacity factor, and were inferior to existing Northeast Colorado wind projects in both capacity factor and the quality of seasonal and diurnal

¹ Apparently two of these 37 “Colorado” projects are located “in whole or in part” in Wyoming. Response to WCI Discovery Request 2-15.

² Responses to WCI Discovery Requests WCI 2-14, 2-17.

wind patterns (i.e., wind patterns that might add geographical diversity value to Public Service’s total wind power portfolio).

A large body of data suggests that the Southeast Wyoming wind resource, in general, is superior to the wind resource of northeastern and east-central Colorado.³ Setting aside economic (price) issues, it is therefore at the threshold puzzling that the seven Wyoming bids that Public Service received all failed, according to the Company, to show capacity factor or wind-pattern superiority to their Colorado counterparts.

A. All Wyoming Bids vs. All Colorado Bids

In Figure 6 on page 51, the public Report presents a graphic comparison of the capacity factors of the seven Wyoming wind bids to the 37 wind Colorado wind bids.⁴ The seven Wyoming bids are shown as circles. The thirty-seven Colorado wind bids are shown as diamonds. Most if not all of the Wyoming wind bids are dependent on the Wyoming-Colorado Intertie, which 2009 RFP bidders knew could not be constructed and available for utilization before the summer of 2013 (in that it is contingent on the completion of Public Service’s Pawnee-Smokey Hill transmission project, also scheduled to be in service in the summer of 2013). The WCI Interveners assume, although they have been unable to document, that the seven Wyoming wind bids are fairly characterized as lying in southeastern Wyoming.⁵

To be fair, Public Service does not flat-out state that the capacity factors of the Wyoming bids it received were *all* inferior to the capacity factors of the Colorado wind bids it received. Rather, Public Service cites particular testimony by a WCI witness in Phase 1 that, in general, the capacity factor of Southeast Wyoming wind could “be expected” to be “8% higher than Colorado wind.”⁶ Public Service then states that the “actual wind bids received ... do not support this claim.”⁷ As proof, it points to the graphic information in Figure 6.

If Figure 6 presented a valid comparison of Wyoming and Colorado wind bids, Public Service’s quoted conclusion would literally be correct: the graphed data in Figure 6 do not on their face show that all the Wyoming wind bids have capacity factors “8% higher” than the capacity factors of all Colorado wind bids. However, Figure 6 is not a valid comparison of the Wyoming and Colorado wind bids. The capacity factors shown for the

³ See, e.g., Western Renewable Energy Zones - Phase 1 Report, Western Renewable Energy Zones: a joint initiative of the Western Governors' Association & U.S. Department of Energy, June 2009; pages 12, 13, 23, and 24 (accessible at: <http://www.westgov.org/wga/publicat/WREZ09.pdf>).

⁴ This adds to a total of 44 wind bids. Table 2 of the Report, page 10, claims 49 wind bids were received.

⁵ In the public Report, the map at page 50 of the Report has been redacted to eliminate any indication of the location of the Wyoming wind bids. In Phase 2 discovery Public Service on bid confidentiality grounds refused to provide the WCI Interveners even the names of the county(ies) in which the underlying projects are located. Response to WCI Phase 2 Discovery Requests WCI 2-12, 2-13.

⁶ Report, page 50, , note 21, citing Phase 1 testimony of WCI witness Bill Pascoe.

⁷ Report, pages 50-51.

44 wind projects in Figure 6 are based on bidder-provided estimates of the annual energy (kwh) production they expect from their projects during their first twelve months of operation.⁸ The estimates are provided on a single line of Form C, which is the bid cover sheet. It is not required that bidders justify calculated Year One kwh production estimates based on mesoscale and/or site-specific measured wind velocity data they provide in Form II. It is not required that bidders show that the estimates reflect “typical year” data.⁹ As a result, the capacity factors of the 44 disparate projects in Figure 6 cannot be reliably or validly compared.

While Figure 6 indeed fails to show the capacity factors of *all seven* Wyoming wind bids to be *precisely* 8% higher than the capacity factors of *all thirty-seven* Colorado wind bids, even taken at face value Figure 6 *does show* that a majority (the four right-most circles on the graph) of Wyoming wind bids (4 of 7, or 57%) have capacity factors higher than more than eighty percent (30 of 37, or 81%) of the Colorado wind bids. This would appear to support the general conclusion of organizations such as WREZ, *supra*, as well as the general claims of WCI in Phase 1, that Wyoming wind generally has a higher capacity factor than Colorado wind.

That Public Service presented wind capacity factor data that do not permit valid or reliable comparison of individual wind bids to support a negative conclusion about the capacity factors of Wyoming wind bids it received anchors what we will show below is a sustained selective use of data by Public Service to overstate, misstate and omit to state evidence about the Wyoming wind bids it received in the 2009 RFP process.

B. Selected Wyoming Bids vs. Operating Colorado Wind Farms

After presenting the general conclusion that the capacity factors of the Wyoming wind bids it received failed to demonstrate superiority to the capacity factors of the Colorado wind bids it received, Public Service proceeds—or purports to proceed—to a more granular comparison between Wyoming wind data and Colorado wind data.

At pages 52-55 of the public Report, Public Service purports to compare the hourly wind patterns of three of the seven Wyoming wind bids received in the 2009 RFP—not to three comparable Colorado wind bids received in the RFP, but to two Colorado wind farms *already providing power* on the Public Service’s system. The hourly wind patterns of the three Wyoming bids and the two operating Colorado wind projects are graphed by summer and winter seasons, and by annual average, in Figures 8-12. Table 30 on page 55 of the Report purports to compare average annual generation

⁸ “The capacity factor shown for each depicted bid [in Figure 6] is an annual capacity factor *** determined by dividing the first year’s annual energy production amount *provided by the bidder* in their Form C by the product of 8,760 and the nameplate capacity provided by the bidders in their Form C.” Response to Phase 2 Data Request WCI 5-1(A). Emphasis supplied.

⁹ The narrative section of each bid is supposed to provide an explanation of how wind velocity data are converted to generation data, including whether the data used are “for a typical year.” 2009 Wind RFP, page 18. There is no claim that Public Service has verified Form C Year One production estimates against the explanation contained in the narrative.

during the on-peak hours of 9 A.M. and 6 P.M. for the same Wyoming wind bids and Colorado operating wind projects.

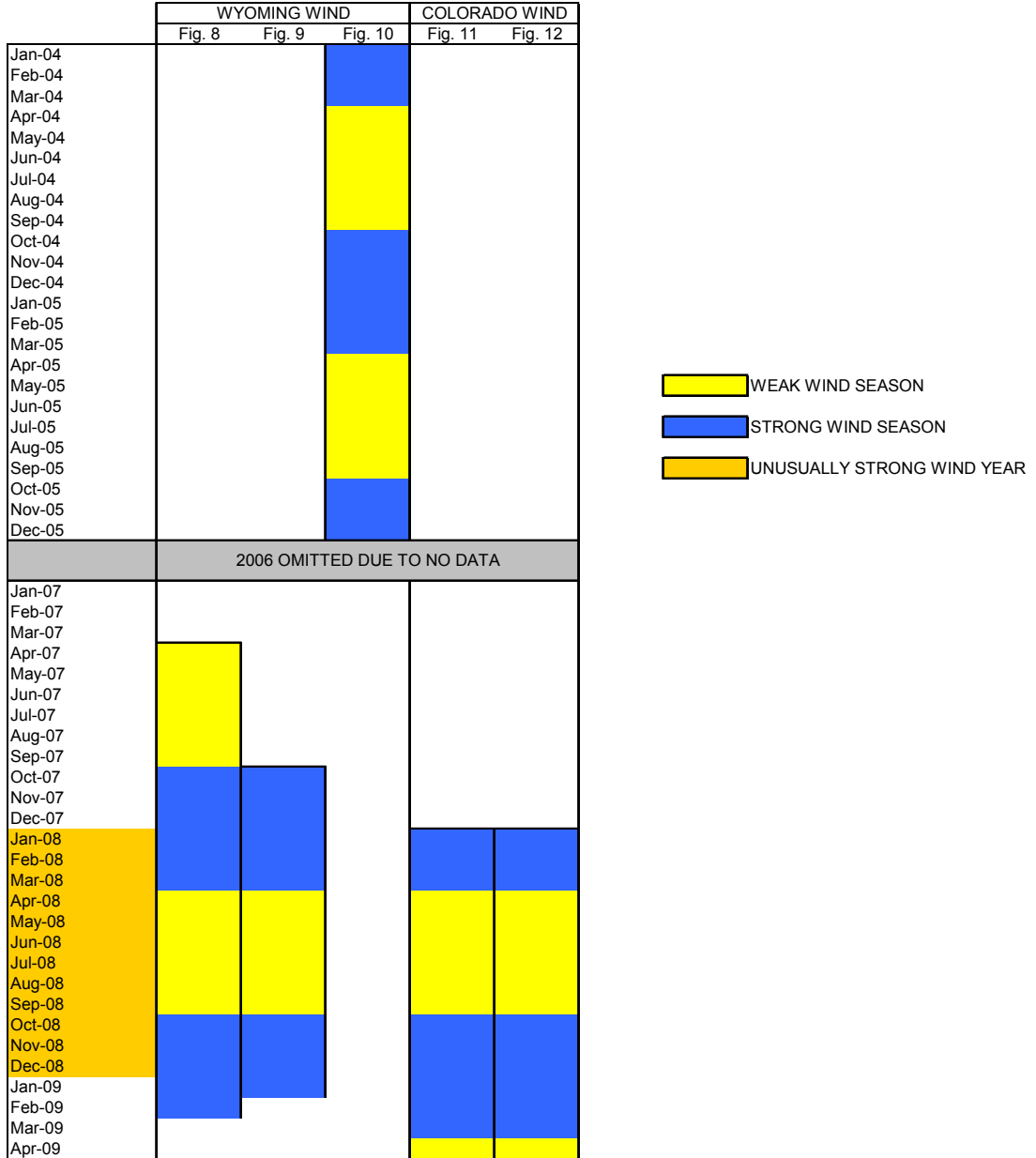
First, it is important to note that, although the Report fails to disclose the fact, different time-series of historical wind performance data were used to graph the hourly wind patterns of the compared projects in Figures 8-12, as well as to display the projects' average annual peak-hour generation in Table 30. While the data for the two operating Colorado wind farms are from the same 16-month period in 2008 and 2009, the data for the three Wyoming wind bids are from different time series over six years, 2004-2009. Thus:

- ❑ None of the data for the Wyoming wind project in Figure 10 come from *any of the years* of data for the two Colorado projects in Figures 11 and 12.
- ❑ For the two Wyoming wind projects in Figures 8 and 10, wind data from 23 and 24 months, respectively, were used, while for the two Colorado projects in Figures 11 and 12 only 16 months of data were used.
- ❑ Both the Wyoming wind bid in Figure 9 and the two Colorado wind projects in Figures 11 and 12 used 16 months of wind data, but not the same 16 months.

The bar graph on the following page provides a visual illustration of the months and years in which the data used to construct Figures 8-12 and Table 30 do and do not overlap.

The fact that different time series of data were used to prepare each of the wind pattern graphs in Figures 8-10, and that these time series of wind data differ from those used in Figures 11-12, and that the same differences inhere in Table 30, means it is impossible to make valid comparisons of the type Public Service purports to make between the three specific Wyoming wind bids and the two specific operating Colorado wind farms—either in Figures 8-12 or in Table 30. The wind patterns simply are not based on comparable data.

Time-Series Data for Wyoming & Colorado Wind in Figures 8-12



Second, Public Service gave a “seasonality” weighting advantage to the annual wind performance time-series data used to depict the two operating Colorado wind projects that make these projects *appear* to be superior to the three Wyoming wind bids to which they are compared.

- ❑ As a visual inspection of Figures 8-12 shows, winter wind output is superior to summer wind output for both Wyoming and Colorado wind in all cases, regardless of the time series data used.

- ❑ The 16 months of 2008-2009 data that Public Service used to represent the annual performance of the two operating Colorado wind projects have been selected so as to weight two “strong wind” winter data collection periods (January – March, 2008; November, 2008 – March, 2009) against only one (June – September, 2008) “weak wind” summer period.
- ❑ With the possible exception of the Wyoming bid depicted in Figure 9, the same is not true of the Wyoming wind bid performance data. Both Wyoming wind bids in Figures 8 and 10 are depicted based on two nearly complete years of data (23 and 24 months, respectively) that equally weight summer and winter time periods.
- ❑ As a result, the Colorado wind projects in Figures 11 and 12 would artificially show higher annual capacity factors than the Wyoming bids.

Third, the methodology used by Public Service gave an additional “wind quality” weighting advantage to the operating Colorado wind projects by using predominantly 2008 data to depict both.

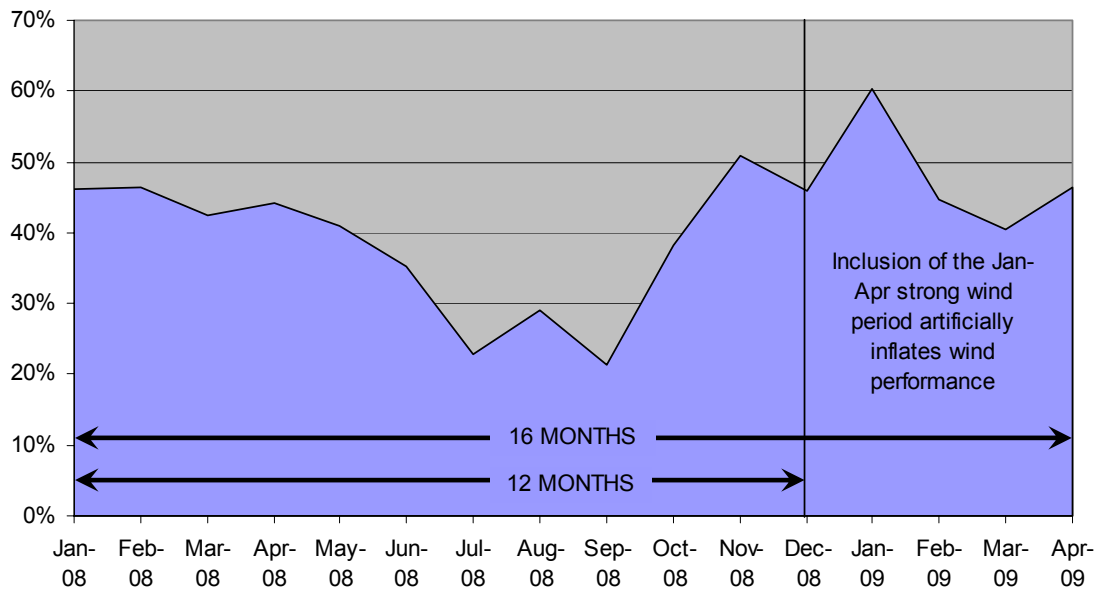
- ❑ Twelve out of sixteen months (75%) of the data for the Figure 11 and 12 Northeast Colorado projects come from 2008. By contrast, none of the data used to depict the Wyoming bid in Figure 10 are from 2008; while only 12 of 23 of the months (48%) of the data used to construct the Wyoming bid in Figure 8 come from 2008.
- ❑ This is important because the year 2008 was an exceptional wind quality year for Colorado wind, as can be seen from information filed by PSCo with the Commission and various Colorado wind farms with FERC (see table on following page). It was exceptional both in Northeast Colorado, where the two operating Colorado wind projects depicted in Figures 11-12 are located, and in Southeast Colorado,
- ❑ As shown in the diagram on the following page, Public Services’ methodology artificially inflates the annual capacity factors of the two NE Colorado wind farms shown in Figures 11-12 to about 40%, when the actual performance of these wind farms in the strong-wind year of 2008 (based on data filed by Public Service with the Commission and by its wind suppliers with FERC; see table below) indicate values ranging from 36.2% to 37.2%.

Actual Wind Farm Performance from Public Service Reports¹⁰

Wind Farm	Location	MW	Capacity Factor			Used in Comparison
			Pre-2008	2008	Difference	
Colorado Green	SE Colorado	162.0	34.6%	36.5%	1.9%	YES
Twin Buttes	SE Colorado	75.0	NA	40.3%	NA	NO
Cedar Creek	NE Colorado	300.5	NA	37.2%	NA	NO
Logan	NE Colorado	201.0	NA	36.6%	NA	NO
Peetz Table	NE Colorado	199.5	NA	36.2%	NA	NO
Spring Canyon	NE Colorado	60.0	39.1%	42.6%	3.5%	YES
Ridgecrest	NE Colorado	29.7	30.8%	31.6%	0.7%	YES
COMPARISON						
SE Colorado		162.0	34.6%	36.5%	1.9%	
NE Colorado		89.70	36.3%	38.9%	2.6%	
Total Colorado			35.2%	37.4%	2.2%	

NA = full-year information not available for years prior to 2008

Monthly Capacity Factors for Peetz Logan Wind Farms¹¹



¹⁰ Data in the table derived from (a) PSCo's Renewable Energy Standard Compliance Reports posted on its website: http://www.xcelenergy.com/Company/About_Energy_and_Rates/Resource%20and%20Renewable%20Energy%20Plans/Pages/Renewable_Energy_Standard_Compliance_Plan.aspx; and from (b) Electric Quarterly Reports (ERQs) filed with FERC accessible from <http://www.ferc.gov/docs-filing/eqr/data/spreadsheet.asp>.

¹¹ Based on data reported for the Peetz and Logan wind farms to FERC in 2008 and 2009 from <http://www.ferc.gov/docs-filing/eqr/data/spreadsheet.asp>.

Due to the data incomparability and weighting of data to favor the NE Colorado wind projects, as described above, Public Service’s comparisons of three Wyoming wind bids to two operating Colorado wind projects in Figures 8-12 are spurious. Without further investigation and analysis by the IE, it is impossible to know what a fair comparison of the capacity factors and wind patterns of Wyoming and Colorado wind might reveal.

C. Further Investigation and Analysis

According to Figure 6, Public Service received a total of seven Wyoming wind bids. Wind data from only three of these were graphed in Figure 8-10 for “comparison” to the graphed wind data in Figures 10-11 for two operating Colorado wind projects. In Phase 2 discovery Public Service refused to give the WCI Interveners access to the wind data submitted by the other four Wyoming wind bids.¹² Public Service stated that it could not compare these four wind bids to the operating Colorado wind projects because the wind data these four other Wyoming bidders provided with their bids were not “measured wind velocity data at their proposed sites” from which hourly generation patterns could be derived.¹³

In light of this, the WCI Interveners suggest that a minimum the IE should:

- ❑ Compare all seven Wyoming wind bids to all Colorado wind bids—not Colorado operating wind farms—for which directly comparable data sets exist. This will provide important information on the comparative capacity factors and wind patterns of the bids Public Service actually had to choose from in the 2009 RFP. This is the only information relevant to whether Public Service proceeded fairly in wind bid evaluation and selection. How the bids it received might compare to the winter-weighted profiles of existing Colorado wind projects in the exceptional wind year of 2008 decidedly is not relevant.
- ❑ Compare Wyoming and Colorado bids on the basis of either of 2004-2005 on-site wind measurement data or on the basis of 2004-2005 “mesoscale” average wind velocity hourly wind generation data, or on the basis of both.¹⁴ Presumably most if not all bidders provided 2004-2005 data of

¹² Response to Phase 2 WCI Data Request WCI 3-3.

¹³ Response to Phase 2 WCI Data Request WCI 2-24 (September 24, 2009). In a later response (October 6, 2009), Public Service stated that four rather than three Wyoming bids had provided on-site measured wind velocity data with their bids. Response to Phase 2 Data Requests WCI 5-3(a), (b) (October 6, 2009). It is therefore unclear exactly what data Public Service had for how many Wyoming wind bids. It is also unclear why, if Public Service had on-site measured wind data for 4 Wyoming wind bids, it only compared 3 of those 4 bids to the 2 operating Colorado wind projects depicted in Figures 11 and 12.

¹⁴ As of October 6, 2009, Public Service stated that 34 wind bids in Figure 6 (4 Wyoming; 30 Colorado) provided on-site measured wind velocity data; and that 24 of these 34 wind bids (2 of the 4 Wyoming bids; 22 of the 30 Colorado bids) also provided WWRD mesoscale data. *See* previous footnote concerning the confusion as to whether 3 or 4 Wyoming bids provided on-site measured wind velocity data.

some type, because the 2009 Wind RFP *required them to*.¹⁵ Bidders were permitted but not required to provide actual on-site measured wind data in addition to mesoscale data, or instead of mesoscale data if the latter were unavailable. This did not negate the requirement of providing data for the years 2004-2005.¹⁶

- ❑ To the extent measured on-site wind data are available in comparable data sets for pairs or clusters of Wyoming and Colorado wind bids, make capacity factor and wind pattern comparisons between the bids on the basis of such comparable data.
- ❑ Using either or both of the two approaches in the two preceding bullets, compare the capacity factors and wind patterns of as many of the seven Wyoming wind projects as possible to the capacity factors and wind patterns of the wind projects that Public Service actually selected for its Preferred Portfolio.¹⁷ This should provide valuable information as to whether Public Service awarded value to wind capacity factors and wind patterns (as the Wyoming Wind Bids section of the Report would suggest it did); or, if it did not, lead to further inquiry to determine what other factors Public Service may have given more importance to in selecting wind bids for the Preferred Portfolio.

III. ATC vs. New Transmission.

Because of heavy redaction in the Report, the WCI Interveners obviously cannot ascertain the pricing, capacity factors, wind patterns, locations or expected on-line dates of any specific wind resources that Public Service selected out of wind bids submitted in the 2009 Wind RFP for its Preferred Portfolio.

What the WCI Interveners *can* glean is that Public Service selected wind resources for the Preferred Portfolio that likely use existing available transmission capacity (ATC) on its system and avoids the construction of new, longer lead-time transmission projects that would firm the interconnected network and enable Colorado to

¹⁵ At page 17, the 2009 Wind RFP states: “Respondents *must provide* 8,760 hourly energy production profiles for the calendar years 2004 and 2005 and the associated hourly wind data on Form I.” Emphasis supplied.

¹⁶ 2009 Wind RFP Bid Form I1 states: “Using Western Wind Resources Dataset (WWRD), mesoscale data (available at www.nrel.gov/wind/westernwind), provide hourly average wind velocity data for 2004 and 2005 and the estimated hourly generation resulting from that wind velocity for the proposed facility. Wind velocity data should be adjusted to the proposed turbine hub heights. Energy generation estimates should be net of expected facility losses and availability. If on-site meteorological data for these time periods are available, Respondents may provide measured on-site wind velocity and estimated energy generation using those data. Respondents should provide a complete description of how their wind velocity and energy generation profiles were developed pursuant to the RFP instructions regarding the Energy Production Profile Narrative Topic.”

¹⁷ In Phase 2 discovery, the WCI Interveners asked Public Service to provide the “average capacity factor” of all wind bids it selected for the final portfolio. Public Service refused on the grounds this would “require a special study.” Response to Phase 2 WCI Discovery Request WCI 4-3.

participate more fully in regional export/import markets.¹⁸ Such new, longer lead-time projects include both the Wyoming-Colorado Intertie, which would alleviate the TOT 3 constraint between Colorado and Wyoming and enable SE Wyoming wind projects to reach market, and longer lead-time SB 07-100 intrastate transmission projects like Lamar-Comanche and Lamar-Missile Site that would enable new high capacity wind projects south of Lamar to reach market.

To the extent the price and quality of the wind bids selected in the Preferred Portfolio are demonstrably superior to the price and quality of other wind bids available (taking into account all relevant values, including the value of new transmission), it may be acceptable that longer lead-time transmission that different bid selections might have supported will not be built. It can be argued that Public Service ratepayers in the short term may pay lower rates—though at the risk of foregoing wind resource purchases requiring new transmission that over the longer term, and taking transmission benefits into account, may prove cheaper.

However, to the extent selected Preferred Portfolio wind bids are not demonstrably superior on all counts to bids that might have supported new, longer lead-time transmission, Public Service’s wind bid selection process may be incompatible with the Commission’s expressed objective of coordinating resource acquisition and long-term network transmission planning. In that event, the process may need to be further examined.

The WCI Intervenors believe there is a case for further examination.

First, from what is publicly known about the wind bids that Public Service selected for the final portfolio, it is clear that these bids, as a package, are inconsistent with publicly stated criteria that Public Service stated, before the 2009 Wind RFP was launched, would govern wind bid selection.

The stated Phase 1 target for new intermittent (including wind)¹⁹ resources in this ERP acquisition period was 850 MW, a number that fell to 660 MW as a result of Public Service’s acquisition of 190 MW of new intermittent resources in 2009 through the so-called 2008 Early Wind and Early Solar RFPs and a subsequent 2009 expansion of the wind component of those acquisitions. The 190 MW of new intermittent resources included approximately 174 MW of new wind power in northeast Colorado.²⁰

¹⁸ See “Connecting Colorado’s Renewable Resources to the Markets, Report of the Colorado Senate Bill 07-091, Renewable Resource Generation Development Areas Task Force, Revised Edition July 2008,” pages 35-36 and *passim* [hereafter, “SB 07-091 Task Force Report”]. (accessible at: <http://www.colorado.gov/energy/index.php?/resources/category/publications/>).

¹⁹ The resources that Public Service typically deems “intermittent” in this sense include, in addition to wind, PV solar without storage.

²⁰ The so-called Northern Colorado Wind Energy facility.

The effective acquisition period for the acquisition of the publicly announced target of 660 MW of intermittent power was, by the time of the January, 2009, issuance of the 2009 Wind RFP, six years—2010-2015.²¹ However, due to the amount of time Public Service expected to devote to Phase 2 bid evaluation, it publicly stated, concurrently with issuance of the 2009 Wind RFP, that it “expect[d] that the majority of the intermittent resources that will be bid into the All Source RFP . . . not [to] be available to Public Service until the second half of the Resource Acquisition,”²² i.e., 2013-2015. These three years were the very three years during which the 2009 Wind RFP itself (and the other simultaneously issued 2009 RFPs) stated that Public Service would actually *need* new resources.²³

Further, Public Service made clear in issuing the 2009 RFPs that due to system operation constraints it could only acquire new intermittent resources through the 2009 RFP in so-called “ratable installments” of 100-200 MW per year.²⁴

Read together, these public announcements strongly suggested that, if Public Service indeed were to acquire 660 MW of new intermittent resources as a result of the 2009 Wind RFP, and, say, 500 MW to 600 MW (83%-90%) of these megawatts were wind (as opposed to PV solar without storage, the other likely candidate to offer intermittent bids), Public Service might be acquiring somewhere in the neighborhood of 166 MW to 200 MW of new wind over each of the three years, 2013-2015. While this of course wasn’t the only possible scenario, it was, based on public announcements, a reasonable one for bidders to anticipate. Not unimportantly, it was a scenario compatible with the construction of the Wyoming-Colorado Intertie, which was planned to be in-service in 2013, and was synchronized from a development standpoint with Public Service’s new Pawnee-Smoky Hill project, also scheduled for 2013 activation and designed to add some 500 MW of new capacity for the delivery of power from northeast Colorado to the Denver load center.

Whatever scenarios the Company’s public announcements might reasonably have suggested, they did not come to pass.

The Report discloses that for its Preferred Portfolio Public Service in fact (a) decided to add 750 MW rather than 660 MW of intermittent (wind and solar photovoltaic) resources; and (b) decided to add these resources “ratably” over the five years 2010 to 2014,²⁵ rather than “ratably” over the three years 2013-2015.²⁶ In addition, Public Service chose to bring 70% of all new wind included in the Preferred Portfolio’s

²¹ By then, in other words, resources with 2008 and 2009 in-service dates could not be acquired for those years.

²² Verified application, January 16, 2009, Docket No. 09A-020E (application for approval of Northern Colorado Wind Energy, LLC, purchase agreement).

²³ 2009 Wind RFP, page. 3.

²⁴ This “ratable installment” condition is repeated in the Report itself. *See* Report, page 43.

²⁵ No wind bids for 2015 were advanced for Strategist modeling in the evaluation process. *See*. Report, Tables 17, 25; and Response to Phase 2 Discovery WCI 2-1.

²⁶ *See* Report, page 7. If added in equal installments, this would translate to 150 MW of new intermittent power per year.

750 MW of intermittent power on line by December 31, 2012, i.e., within three years of the likely close of Phase 2 of these proceedings.²⁷

To bring so much of its total new wind selections on line so rapidly—in the first three years (2010-2012) of the resource acquisition process—Public Service obviously could not consider, plan for or rely on longer lead-time transmission such as the Wyoming-Colorado Intertie. Rather, it had to choose wind bids that could, in conjunction with radial “extension cord transmission,” make use of transmission capacity on its own system that was already available, so-called available transmission capacity or “ATC”—either already actually in service or scheduled to come in service in the short-term. In the words of the public version of the Report:

- ❑ The Preferred Portfolio “minimizes overall transmission costs by maximizing utilization of existing transmission capabilities, minimizes the need for new transmission, and effectively utilizes new transmission proposed, i.e. uses up [REDACTED] nearly 500 MW of the proposed SLV-Comanche upgrades;”²⁸
- ❑ Wind bids with “in-service dates of 2011 and 2012 ... tak[e] advantage of existing transmission or locations that require minimal transmission upgrades” and “[s]everal of these [REDACTED] bids plan to interconnect at Missile Site and use the existing transmission capability from that interconnection point,” making it “important that the Missile Site upgrades remain a high priority project with an in-service date in the 2011 timeframe;”²⁹
- ❑ “... TA [the Company’s so-called Transmission Access group] excluded [interconnection facility] costs for any bid proposing to interconnect into the Missile Site Substation, as that substation is budgeted and requires not Certificate of Public Convenience and Necessity (“CPCN”).”³⁰

By contrast:

- ❑ Two “competitively priced” wind bids from the “Lamar area... offered in-service dates in 2011 and 2012, approximately four years earlier than when the 350 mile [2016] Lamar Comanche and Lamar-Missile Site upgrades are planned for completion. *** Furthermore, adding wind in the Lamar area prior to completing the transmission upgrades would result in additional costs to the Public Service customers....”³¹

²⁷ See Report, page 79 (confirmed by Response to Phase 2 Data Request WCI 2-19). Year-end 2012 is when current federal investment/production tax benefits for wind generation expire. No wind bids were selected to be in-service in 2015. Report, Tables 17 and 25; Response to Phase 2 Data Request WCI 2-1.

²⁸ Report, page 79. The SLV-Comanche upgrade is a transmission project for which Public Service has already applied for a CPCN. See Docket No.09A-325E.

²⁹ Report, page 47.

³⁰ Report, page 29.

³¹ Report, page 48-49.

Based on these statements in the Report, the WCI Interveners are relatively certain that most if not all of the new wind selected in the Preferred Portfolio connects by means of radial “extension cords” either to the so-called SLV-Comanche transmission upgrade for which Public Service currently is seeking a CPCN; or to the new, already “budgeted” Missile Site Substation. This would suggest that Public Service has selected wind projects generally located outside of highest quality wind resource areas identified in the SB 07-91 Task Force Report (page 9) and in the WREZ Report (pages 12-13).

Aside from that, the WCI Interveners submit that these statements in the unredacted public Report render it improbable that either capacity factors or diurnal/seasonal characteristics of wind bids submitted in the 2009 Wind RFP carried significant weight in the selection process that led to the Preferred Portfolio, at least compared to the ability of bids to utilize existing ATC. By way of illustration, we return to Figure 6 in the Wyoming Bids Section. This graph purports to compare the capacity factors of the seven Wyoming bids received in the 2009 Wind RFP to those of the 37 Colorado bids. On its face it indicates that, compared to the highest capacity-factor Wyoming bid, there were five Colorado wind bids submitted in the 2009 Wind RFP with superior capacity factors. (The five diamonds to the right of the right-most circle in Figure 6.). Although all of these five high-capacity-factor Colorado wind bids were offered with in-service dates no later than December 31, 2012, and thus were eligible for federal investment/production tax credits for wind, Public Service selected none of them for the Preferred Portfolio.³² None was even advanced to any of the 48 portfolios that were selected for scenario analysis in the evaluation process.³³ This is further confirmation that Public Service has not selected the best quality wind resources offered by bidders and has instead selected lower-quality wind resources to take advantage of ATC.

IV. New Transmission: Treatment of Its Value and Cost

According to the SB 07-91 Task Force Report, the three transmission paths “that connect [Colorado] to adjoining states are ranked among the top 15 most constrained paths of the 79 transmission paths in WECC, while the two in-state paths are less constrained. These constraints limit the extent to which Colorado can take advantage of resources from adjoining states and its ability to participate in regional import/export markets.”³⁴ One of the three constrained transmission paths is the so-called TOT 3 path between southeast Wyoming and northeast Colorado. According to the SB 07-91 Task Force Report, the TOT 3 constraint is the sixth most constrained path in the WECC.³⁵ The SB 07-91 Task Force Report notes that “[t]he transmission capacity between the two Colorado control areas and adjoining control areas [viz., Wyoming] is severely limited by line voltages, capacity commitments, and by the lack of interconnections to other control areas. In effect, Colorado is largely an island in the WECC transmission grid.”³⁶

³² Response to Phase 2 Discovery Request WCI 2-18(d), (e).

³³ Response to Phase 2 Discovery Request WCI 2-18(c).

³⁴ SB 07-91 Task Force Report, p. 36.

³⁵ *Id.*, table page 36.

³⁶ *Id.*, page 34.

The WCI Interveners do not represent wind bidders in the 2009 Wind RFP. The WCI Interveners are the sponsors of the Wyoming-Colorado Intertie, a proposed new high voltage network transmission line across the constrained TOT 3 path between Wyoming and Colorado that would add approximately 850 MW of new north-south transmission capacity to the path while inter-linking the currently unconnected northeast Colorado control and southeastern Wyoming transmission control areas. The project was undertaken in response to recommendations made in the Rocky Mountain Area Transmission Study³⁷ that identified the TOT 3 constraint as one of three recommended projects for development.

The developers of the Wyoming-Colorado Intertie have always recognized that their project, like most major new bulk network transmission additions, would have a relatively long development and construction lead-time, on the order of at least five years; and that in order to be viable it needed shippers with contracts with utilities in Colorado, including Public Service. Accordingly, the developers of the Wyoming-Colorado Intertie among other things have always closely coordinated their own planning and development efforts both with Public Service's ERP resource acquisition timetables and goals, *and* with the timetable for Public Service's own proposed new Pawnee-Smoky Hill transmission project. The latter, a request for approval of which Public Service filed simultaneously with its request for approval of the 2007 electric resource plan, would add 500 MW of new transmission capacity from northeast Colorado to Denver load, and would come in-service in 2013. It has always been planned that the Wyoming-Colorado Intertie would interconnect with this new Public Service line in northeast Colorado to enable Wyoming wind developers ultimately to reach Public Service's Colorado load. Accordingly, the Wyoming-Colorado Intertie has always been on a similar time line as the Pawnee-Smoky Hill project, that is, with a projected in-service date of 2013.

The WCI Interveners entered this docket to try to convince Public Service and the Commission that any acquisition by Public Service of new wind resources over the 2008-2015 period as part of the Public Service 2007 electric resource plan should be flexible enough to allow new wind resources dependent on long lead-time transmission projects like the Wyoming-Colorado Intertie, that is, with on-line dates of 2013 or later, to compete to sell to Public Service in the latter's resource acquisition process. In its initial ERP filing, Public Service proposed to acquire 800 MW of new wind resources—300 MW of these through a so-called "early 2008" RFP (for 2010-2012 delivery), and an additional 500 MW through a subsequent 2010 RFP for post-2012 delivery. The WCI Interveners viewed this bifurcated scheduling of wind acquisition as incompatible with the longer lead-time (five year) development needs of their project, particularly the need to obtain wind-project developer subscribers with contracts to sell to Public Service. In order to bring a 5-year project on line (by 2013), the WCI Interveners needed to know by 2008 or 2009 whether sufficient wind power developers in Wyoming who would use the Wyoming-Colorado Intertie were "winners" in a Public Service wind resource RFP process. The Company's announced intent to wait until 2010 to conduct an RFP for 500 MW of its total target of 800 MW of new wind resources would not meet this need.

³⁷ See Rocky Mountain Area Transmission Study (2004) (accessible at: <http://psc.state.wy.us/htdocs/subregional/FinalReport/rmatsfinalreport.htm>).

Therefore, at an early stage of this docket the WCI Interveners litigated and ultimately settled with Public Service on an alternative wind bidding approach that would accommodate the five-year planning horizon of the Wyoming-Colorado Intertie. As the WCI Interveners noted at the time:

Since the filing of the Trans-Elect and WIA motion to defer and the Public Service response, the parties have met. This has led to an agreement between the parties. On the one hand, Trans-Elect and WIA have agreed not to oppose the issuance by Public Service of an “early 2008” RFP for 300 MW of new wind projects to be on-line by 2010-2012. On the other hand, Public Service has agreed to propose to issue in 2008 (in addition to the RFP for 300 MW just noted) an RFP for a second tranche of at least 500 MW of new wind to come on-line and meet resource needs after 2012; and has committed, in cooperation with Trans-Elect and WIA and potentially other interested parties, to develop modifications and enhancements of bid and contract documents to accommodate the bidding of transmission-dependent wind projects with longer lead-times and later on-line dates.

The fundamental issue for Trans-Elect and WIA is not the fact that there are two RFPs and two tranches, but that in Public Service’s current proposal the *second* RFP will not be issued until 2010 and is not structured to accommodate projects with longer lead-times. If the RFP for the second tranche of 500 MW were, like the RFP for the first tranche of 300 MW, issued in 2008, and were structured in a way that explicitly encouraged bidding for projects with longer lead-times, e.g., on-line after 2012, the problem would go away. The impact and benefits of longer lead-time projects, including but not limited to the Wyoming-Colorado Intertie, could be considered and, if appropriate, taken advantage of in the bid-selection process.

Comments and Clarification of Trans-Elect Development Company, LLC, and the Wyoming Infrastructure Authority in Response to Decision No. C08-0046 (January 18, 2008), at pages 2 and 4.

In the previous section of these comments we have recapitulated the actual history of Public Service’s announced timetables and goals for acquiring new wind resources through the 2009 Wind RFP process. While between January, 2008, and January, 2009, the megawatts of wind targeted for acquisition changed, Public Service’s publicly articulated overall bidding objectives and time frames fundamentally did not change. As noted above, at the time of issuance of the 2009 Wind RFP in January, 2009, Public Service was publicly projecting the acquisition of approximately 660 MW of new intermittent resources over 2010-2015, and *also publicly saying* that it expected to acquire the bulk of these in “ratable installments” of 100-200 MW over the last three years of the acquisition period, 2013-2015. As further noted above, Public Service’s

actual Preferred Portfolio wind selections radically deviated from these public statements and projections.

The Report, and especially the Wyoming Wind Bids section, puts forward what presumably is Public Service's defense of this deviation. On the bottom line, Public Service argues that the Wyoming wind bids it received (that, if selected, would have supported construction by 2013 of the Wyoming-Colorado Intertie) were not economically competitive with Colorado wind bids, and failed to offer wind pattern or wind quality advantages over Colorado wind that organizations such as NREL and WREZ have long claimed Wyoming wind typically possesses.

The text of the Report at page 51 states that redacted Figure 7 of the Report compares the prices of Wyoming wind bids and Colorado wind bids. The WCI Interveners obviously do not know what the pricing data reveal; whether or how the data were modified and/or synthesized by Public Service from actual bid submissions; or whether the data suffer from different variations of the data comparability defects that the WCI Interveners have shown affect other wind comparison data Public Service has presented in the Report.³⁸

A. Treatment of the Value of New Transmission

What the WCI Interveners do know is that in calculating the "price" of Wyoming wind bids dependent on the Wyoming-Colorado Intertie, Public Service did not give those bids credit for the value of transmission rights and other benefits accruing to Public Service as a result of purchasing Wyoming-Colorado Intertie-dependent Wyoming wind. This was true whether or not the Wyoming bidders explicitly offered Public Service such rights in their bids.³⁹

Partially to remedy this omission, for the IE's benefit the WCI Interveners attach to these comments a report by Black & Veatch, "Benefits of An Additional Transmission Line from Wyoming to Colorado," that discusses what some of these benefits are, and how they might be quantified. The author concludes that "the differential in economy energy markets between Wyoming and Colorado is conservatively estimated at about \$5/MWh in the 2013-2020 time frame, with improved reliability (which has not been estimated herein) additive to that amount."

This economy energy transmission value is particularly important for wind generation. For example a Wyoming wind project with a 40% capacity factor will only utilize its transmission capacity 40% of the time. This leaves 60% of the time that Public Service could utilize this transmission capacity to access lower cost energy in marketplace. In this case, if the average economy energy value of \$5/MWh was fully realized, a Wyoming wind bid using the Wyoming-Colorado Intertie should have received credit of at least \$7.50/MWh

³⁸ The WCI Interveners submit that this is another issue that the IE should examine closely.

³⁹ Response to Phase 2 Data Requests WCI 2-27, 2-28.

(\$5/MWh for 60% of the time credited to a 40% capacity factor) for transmission-related benefits in Public Services' evaluation process. Further examination of the data suggests that at the times when wind blows the least, i.e. in the summer during peak hours, the transmission capacity has a higher value.

In addition, it is clear from the Report that Public Service gave Wyoming bids dependent on the Wyoming-Colorado Intertie no credit (monetized or otherwise) to reflect the value to Public Service and to the interconnected transmission system in general of a new high-voltage network transmission link to Wyoming. The value is well known, if not precisely quantified, consisting of the bundle of remedial fixes to the inadequacies of Public Service's and the state's congested interstate transmission profile enumerated in reports like the SB 07-91 Task Force Report, *supra*.

The WCI Interveners submit that it is not only proper but necessary to consider such value in the context of this Public Service resource acquisition process. Although the problems associated with the TOT 3 constraint between Colorado and Wyoming have been well known and severe for more than a decade,⁴⁰ Public Service has itself never proposed, let alone undertaken, a project such as the Wyoming-Colorado Intertie as a utility-owned project. Unless the project is undertaken by an independent transmission provider, history suggests that it will not be built. However, no process exists for an independent transmission provider to construct and earn on such a project the way Public Service earns on owned intrastate transmission—i.e., by charging retail ratepayers. The only way the independent transmission provider can earn on such a project is by obtaining wholesale customers who successfully negotiate power sales agreements with the utility. Negotiating such contracts is what the utility resource acquisition process is about. If the resource acquisition process does not take into account and give value to transmission constraints and proposals to remedy those constraints, it will remain an inward-looking, insular process focused on short-term economics. There will always be reasons for selecting bids that use ATC on the utility's own intrastate lines before selecting bids that would use transmission capacity the utility does not own, control and earn on. Nevertheless, using up utility ATC is not what the state, through legislation like SB 07-100 and SB 07-91, has said it wants. It is not what this Commission has said it wants. It is not what the transmission arm of Public Service's holding company parent has publicly given lip service to before this Commission.⁴¹ Yet it will be the enduring result if Public Service is not required to consider and value the transmission planning consequences of the resource selection decisions it makes in the resource acquisition process.

B. Treatment of the Cost of New Transmission

As important as the failure of Public Service to credit wind bids with the *value* of beneficial new third-party network transmission they would support, if built, is the

⁴⁰ See Rocky Mountain Area Transmission Study (2004) (accessible at: <http://psc.state.wy.us/htdocs/subregional/FinalReport/rmatsfinalreport.htm>).

⁴¹ See Supplemental Testimony, Paul J. Bonavia (April 9, 2009), then President, Utilities Group, Xcel Energy Services, Inc.

question of whether the Public Service bid evaluation and selection methodology was inherently incapable of assigning equivalent (comparable) new transmission *costs* to wind bids dependent *only* on new⁴² third-party network transmission, and wind bids advanced to portfolio analysis that were dependent on new Public Service-owned and built network transmission upgrades. The WCI Interveners believe the methodology was hindered in this way. The root of the problem is that wind bids dependent on new Public Service transmission system upgrades that were selected for dynamic modeling and then advanced to portfolio scenario analysis “caused” two types of transmission cost, but in the price comparisons in Figure 7 were held responsible, at most, for only one of these.

Before being advanced to dynamic modeling, wind bids were subjected to so-called “static economic screening.” For this purpose, a levelized energy cost was calculated for each bid based on its “expected annual energy generation.”⁴³ According to the Report, included in this levelized energy cost, or LEC, were “transmission delivery and transmission upgrade costs.”⁴⁴ Therefore, if a wind bid required a new Public Service network transmission system upgrade, at the static screening stage it should have been assigned its pro rata share of the cost of this upgrade.

If the same bid then advanced to dynamic modeling and made it into one or more portfolios for portfolio scenario analysis, the Report states that the portfolio or portfolios in which the bid appeared were required to bear *additional transmission costs* due to the fact that the bid required new Public Service transmission upgrades. In the Report section called “Transmission System and Gas System Portfolio Cost Adjustments,” beginning at page 62, the Company first confirms that, as discussed above, each bid in a portfolio that required new Public Service transmission already “included some level of cost for both transmission and gas supply.” But that was not the end of the process. The portfolios containing the bid were then “provided to the Company’s transmission planning ... group[] to assess whether the combination of bids contained in each portfolio warranted a cost adjustment to the *portfolio* PVRP.”⁴⁵ The transmission planning group “then employed an abbreviated process for estimating the *portfolio* transmission requirements, which relied heavily on existing SB100 and other LGIP studies.”⁴⁶

Thus, wind bids dependent on new Public Service transmission upgrades that made it to portfolio analysis “caused” two separate kinds of transmission cost: “standalone” transmission costs; and “combined portfolio” transmission costs.

⁴² For purposes of this discussion, “new” means upgrades the costs of which are not already socialized to ratepayers because the upgrades are, in Public Service’s words, “already in the budget with an approved CPCN.” Report, page 29.

⁴³ Report, page 34. The WCI Interveners assume but cannot be certain that this “expected annual energy generation” would be the same bidder-provided estimate of first year energy production entered in the blank on the bid cover sheet, Form C, and used by the Company to calculate and compare wind bid capacity factors in Figure 6. As discussed above, these bidder-provided estimates appear to have been unverified by the Company as well as unreconciled to “typical year” wind measurement data.

⁴⁴ *Id.*

⁴⁵ Report, page 62. Emphasis supplied.

⁴⁶ Report, page 63. Emphasis supplied.

The WCI Interveners are relatively certain that, if the wind bid “prices” in Figure 7 of the Report contain any costs related to new Public Service transmission upgrades (for wind bids dependent on such upgrades), these are the first type of transmission costs, the so-called “standalone” costs. The WCI Interveners are relatively certain that for these Colorado bids the Figure 7 prices do not include a pro rata share of the second, or “combined portfolio,” transmission costs, which would only have been calculated at the portfolio selection analysis stage.

The WCI Interveners obviously cannot know for certain what costs, if any, are included in the Figure 7 “prices” of Wyoming wind bids dependent on the Wyoming-Colorado Intertie. If transmission costs for these Wyoming bids are included at all in Figure 7 prices,⁴⁷ they should have been included only to the extent of the “posted transmission and ancillary service rates”⁴⁸ of the Wyoming-Colorado Intertie itself, as set forth on the WCI web site.

Putting these uncertainties for the moment aside,⁴⁹ for present purposes we will assume that in Figure 7: (1) for bids dependent on new Public Service transmission, only the standalone LEC transmission costs of that new transmission were included in the Figure 7 prices of those bids; while (2) for Wyoming bids dependent on the Wyoming-Colorado Intertie, only the actual posted WCI transmission rate was included in the Figure 7 prices of those bids.

If this was the case, the comparisons were not valid as between, on the one hand, bids dependent on new Public Service transmission upgrades that advanced to portfolio selection analysis; and, on the other hand, Wyoming bids dependent on the Wyoming-Colorado Intertie. The former, the bids dependent on new Public Service transmission that advanced to portfolio analysis, should also have included a pro rata portion of the

⁴⁷ Which they should have been only if the *full transmission costs* associated with Colorado wind bids dependent on new Public Service transmission upgrades (which would be higher costs for such bids that were advanced to portfolio selection analysis) were also included in the Figure 7 prices of those bids.

⁴⁸ Report, page 29.

⁴⁹ The uncertainties are additional matters the WCI Interveners respectfully request that the IE investigate. In Phase 2 discovery the WCI Interveners asked to be provided the master spreadsheet that the Report says the so-called Transmission Access (TA) department used to track all bids that were dependent on transmission providers other than Public Service, as described at the top of page 30 of the Report. Although the WCI Interveners asked that bidder identity and specific project or project location information be redacted, Public Service refused on confidentiality grounds to provide the spreadsheet. Response to Phase 2 Data Request WCI 4-1. The WCI Interveners submit that investigation by the IE is required to ascertain, *inter alia* (a) that TA logged and utilized third-party transmission cost and other information accurately, uniformly and fairly; (b) that the third-party transmission cost information logged and utilized by TA was handled in such a way that it was always economically equivalent to the so-called “standalone” LEC transmission costs that TA assigned to wind bids dependent on new Public Service transmission upgrades; and (c) exactly what “TA” is, what relationship it has to other Public Service adjuncts that handled transmission cost and data issues in bid evaluation, and whether TA and other Public Service adjuncts involved in bid evaluation used the same data in a consistent, accurate and fair manner. The Report at page 28 states that TA is “a department within the Xcel Energy’s Commercial Operations business unit.” It is unclear what relationship if any TA has to other Public Service adjuncts elsewhere referred to in parts of the Report that apparently dealt with transmission cost issues in the bid evaluation process. *See, e.g.*, the “transmission planning group” referred to on page 62 of the Report

second type of transmission costs associated with new Public Service transmission upgrades—that is, the so-called “combined portfolio” costs. The Wyoming bids dependent on the Wyoming-Colorado Intertie would not be responsible for any similar kind of additional “portfolio” transmission costs. This is because, as noted, Wyoming wind bids utilizing the Wyoming-Colorado Intertie to reach northeast Colorado would, downstream of Pawnee, utilize the new Public Service Pawnee-Smoky Hill line to reach the Denver load. Under the bid evaluation ground rules established by the Commission, no additional transmission costs were assignable to bids making use of the Pawnee-Smoky Hill line because the line has already received a CPCN.⁵⁰

V. Conclusion

The WCI Intervenors respectfully request that the Commission direct the Independent Evaluator to investigate the issues, questions and inconsistencies raised in the foregoing discussion in these comments.

Dated October 8, 2009.

Respectfully submitted,

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⁵⁰ Report, page 29.

Certificate of Service

I hereby certify that on October 8, 2009, I caused to be filed at the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, the original and seven copies of the foregoing COMMENTS OF TRANS-ELECT DEVELOPMENT COMPANY, LLC AND THE WYOMING INFRASTRUCTURE ON THE PUBLIC VERSION OF REVISED THE PUBLIC SERVICE COMPANY OF COLORADO ALL-SOURCE SOLICITATION 120-DAY REPORT and on the same dated caused copies to be served electronically on the following:

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