

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23M-0472E

IN THE MATTER OF THE COMMISSION’S REVIEW OF THE PROVISIONS
ADDRESSING TRANSMISSION CERTIFICATES OF PUBLIC CONVENIENCE AND
NECESSITY AND TRANSMISSION PLANNING IN THE RULES REGULATING PUBLIC
UTILITIES.

INITIAL COMMENTS OF THE COLORADO ELECTRIC TRANSMISSION AUTHORITY

The Colorado Electric Transmission Authority (“CETA”) hereby files comments related to the matter of transmission planning in Colorado, pursuant to Public Utilities Commission (“Commission”) Decision No. C23-0640.

CETA is an independent, political subdivision of the state. It was created in 2021 by Colorado lawmakers to enable the development of electric transmission facilities that will deliver clean energy resources to Coloradans and our neighbors. The powers of CETA are vested in its nine-member Board of Directors, as delegated to its Executive Director as described below. CETA has the power to:

- Engage in transmission planning activities that would increase grid reliability, help Colorado meet its clean energy goals, and aid in economic development.
- Identify and establish corridors for the transmission of electricity with the state.
- Coordinate, investigate, plan, prioritize, and negotiate with entities within and outside Colorado for the establishment of interstate transmission corridors.
- Consider options and alternatives to increase the efficient use of the transmission system. Options and alternatives may include storage and advanced transmission technologies.
- Issue and sell electric transmission bonds to undertake projects.
- Exercise the power of eminent domain for acquiring property or rights-of-way necessary for projects.
- Enter into partnerships with public or private entities to develop projects.
- Conduct a transparent and competitive process to select a qualified transmission operator to carry out all required financing, planning, acquisition, maintenance, and operation of electric transmission facilities and related infrastructure.
- Collect payments of reasonable rates, fees, interest, or other charges from operating or leasing existing facilities to finance future projects and render other services.

In recognition of the close alignment between CETA’s mission and the Commission’s rules regulating the transmission planning of electric utilities in Colorado, CETA submits the following comments. As requested, CETA responds to general issues raised in Decision No. C23-0640, to specific questions in the list attached to the Commission’s order, and to the call for topics for discussion at a staff-led workshop.

Transmission Plans that Support State Policy Goals

(Paragraph 14 in Decision No. C23-0640)

In its enabling legislation, CETA is specifically tasked with engaging in transmission planning activities that would help Colorado meet its clean energy goals:

Through participation in appropriate regional transmission forums and other organizations, including organized wholesale markets, as defined in Section 40-5-108(1)(a), coordinate, investigate, plan, prioritize, and negotiate with entities within and outside Colorado for the establishment of interstate transmission corridors *and engage in other transmission planning activities that would increase grid reliability, help Colorado meet its clean energy goals, and aid in economic development.*¹

In 2023, the State of Colorado directed CETA to study the need for expanded transmission capacity in the state, including:

(b) Whether and how expanded transmission capacity will:

(I) Improve the system reliability of the electric grid and provide optimal utilization of electricity flows in the state;

(II) Support the state's emission reduction goals set forth in section 25-7-102 (2)(g);

(III) Support the state's forecasted electricity needs; and

(IV) Reduce land impacts by using existing rights-of-way, including for large capacity transmission lines; co-locating multiple transmission lines; reconductoring transmission lines; and strategically siting new transmission corridors.²

The initial report of the study is to be presented to the Colorado Public Utilities Commission on or before September 1, 2024. The final report of the study is to be presented to the Joint Committee of the House of Representatives Energy and Environment Committee and the Senate Transportation and Energy Committee on or before January 31, 2025.

CETA's request for proposals from transmission consultants includes a holistic transmission capacity study for Colorado that will evaluate the need for expanded transmission capacity to meet the state's policy goals and a "gap analysis" that will allow CETA to identify and prioritize projects that are not currently being planned or developed.³ CETA intends to periodically repeat its transmission capacity expansion study for the state to ensure continued progress towards the state's goals.

CETA is clearly tasked with ensuring that transmission planning in Colorado supports the state's clean energy and emission reduction goals. CETA believes that in checking progress towards

¹ The CETA Act, Colorado Revised Statutes 40-42-104(1)(n).

² The CETA Act, Colorado Revised Statutes 40-42-109(1)(b).

³ CETA's Request for Proposals for Electric Transmission Capacity Expansion Study for Colorado is available here: <https://www.cotransmissionauthority.com/resources>

achieving these important goals “multiple sets of eyes” are needed to ensure accuracy and impartiality. CETA does not foresee any conflict if the Commission decides to update its rules to require that additional information be incorporated into the regulated utilities’ biannual Rule 3627 filings. For example, extending the report format to a 20-year planning horizon would provide additional information that might help both CETA and the Commission to determine whether progress is being made towards achieving the state’s policy goals. CETA looks forward to collaborating with the Commission, regulated utilities, and all other stakeholders in ensuring that needed electric transmission is being planned and developed. CETA recommends this issue as a topic for discussion at a staff-led workshop.

Coordinated Statewide Transmission Planning

(Questions 1, 2, and 17)

CETA was established, in part, to address the need for coordinated statewide transmission planning.⁴ The goals of coordinated statewide transmission planning include increased grid reliability, helping Colorado meet its clean energy goals, and aiding in economic development.⁵ CETA’s electric transmission capacity expansion study for Colorado will include a 20-year planning horizon, like the study jointly developed in California. CETA is uniquely suited to assessing the state’s long-term transmission needs and looks forward to collaborating with the Colorado Coordinated Planning Group, the Colorado Public Utilities Commission, and all other stakeholders in planning to meet Colorado’s future transmission needs.⁶

Regional and Interregional Transmission

(Question 45)

CETA’s electric transmission capacity expansion study for Colorado will investigate and evaluate AC and DC transmission links to regional and interregional transmission resources and organized wholesale electricity markets. CETA does not foresee any conflict if the Commission decides to update its rules to require cost-effective analysis of transmission links to regional and interregional resources and markets. CETA intends go beyond cost-effectiveness analysis and conduct comprehensive cost-benefit analysis that considers the full set of benefits that could potentially accrue to Colorado citizens. Any overlap between CETA’s planning activities and the Commission’s Rule 3627 planning process would be complementary. The overriding consideration is overlap in project financing and acquisition. CETA believes the procedural requirements of the CETA Act will effectively eliminate this substantive overlap. CETA is clearly prohibited from entering into a project if an electric utility is constructing the facilities or providing the services contemplated by CETA.⁷ CETA looks forward to collaborating with the

⁴ CETA’s response to Question 1.

⁵ CETA’s response to Question 2.

⁶ CETA’s response to Question 17.

⁷ The CETA Act, Colorado Revised Statutes 40-42-104(2).

Commission, regulated utilities, and all other stakeholders in evaluating the costs and benefits of connecting to regional resources and organized wholesale electricity markets.

Role of Responsibilities of CETA

(Question 46)

CETA believes that the respective roles and responsibilities of the Colorado Public Utilities Commission and CETA are well documented and clearly distinguished in Colorado Revised Statutes. It is clear, that CETA is prohibited from entering into a project if an electric utility is constructing the facilities or providing the services contemplated by CETA.⁸ It is clear, that an electric utility subject to rate regulation by the Commission may recover the capital cost of a CETA project only if the project has received a certificate of public convenience and necessity from the Commission.⁹ It is clear that the costs associated with a CETA project are not recoverable from retail utility customers except to the extent they are prudently incurred and the project is used and useful in serving those customers.¹⁰ It is clear, that neither CETA nor any facilities acquired by CETA are subject to the supervision, regulation, control, or jurisdiction of the Commission.¹¹ CETA is not aware of any conflict or misunderstanding of the respective roles and responsibilities and thus sees no need for further rules or regulations on this topic at this time. CETA recommends this issue as a topic for discussion at a staff-led workshop. If we are mistaken, and any ambiguity or murkiness emerges regarding the respective roles and responsibilities, CETA will work collaboratively with the Commission to provide the needed clarification.

In conclusion, CETA appreciates the opportunity to submit comments related to transmission planning in Colorado in this proceeding. Representatives of CETA look forward to participating in the staff-led workshop and to further assisting the Commission as the proceeding progresses.

Respectfully submitted, COLORADO ELECTRIC TRANSMISSION AUTHORITY

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⁸ The CETA Act, Colorado Revised Statutes 40-42-104(2).

⁹ The CETA Act, Colorado Revised Statutes 40-42-104(6)(a).

¹⁰ The CETA Act, Colorado Revised Statutes 40-42-104(6)(b).

¹¹ The CETA Act, Colorado Revised Statutes 40-42-104(4).

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