

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

PROCEEDING NO. 26AL-0137E

IN THE MATTER OF ADVICE LETTER NO. 2018 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO ADDRESS LARGE LOADS, ADD A NEW SCHEDULE TRANSMISSION LARGE SERVICE (SCHEDULE TL) RATE, ADD A NEW CLEAN TRANSITION TARIFF (SCHEDULE CTT), AND IMPLEMENT CHANGES TO THE TRANSMISSION LINE EXTENSION POLICY, TO BECOME EFFECTIVE MAY 3, 2026.

Hearing Exhibit 1100

Answer Testimony of Alexander Squires Lopez

On behalf of Rewiring America and Southwest Energy Efficiency Project

August 19, 2026

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Attachment ASL-1:	Statement of Qualifications
Attachment ASL-2:	Discovery Responses Referenced in Testimony
Attachment ASL-3:	North American Electric Reliability Corporation, <i>Characteristics and Risks of Emerging Large Loads: Large Loads Task Force White Paper</i> (July 2025)
Attachment ASL-4:	North American Electric Reliability Corporation, <i>Technical Reasoning: Proposed Computational Load Entity</i> (April 2, 2026)
Attachment ASL-5:	Oregon Public Utility Commission Order No. 26-154 in Docket No. UM 2377 (May 5, 2026)

I. Background and Summary of Answer Testimony

Q. Please state your name, occupation, and business address.

A. My name is Alexander Squires Lopez. I am the Senior Manager of Regulatory Policy at Rewiring America. My business address is 6218 Georgia Avenue NW, Suite #1, Washington, DC 22001.

Q. For whom are you testifying?

A. I am testifying on behalf of Rewiring America and Southwest Energy Efficiency Project (“SWEEP”).

Q. Please describe Rewiring America.

A. Rewiring America is a leading national home electrification nonprofit dedicated to accelerating the transition to clean energy in households and communities across the country. We develop accessible tools, datasets, and policy solutions that empower Americans to reduce emissions, improve health outcomes, lower energy bills, and build the clean energy workforce of the future.

Q. What are your professional qualifications?

A. I have fourteen years of experience working on energy policy, utility regulation, customer energy programs, and distributed energy resources. I joined Rewiring America in November 2024, where I manage the organization’s regulatory strategy and advocacy across multiple states, including Colorado, New York, Massachusetts, Michigan, Minnesota, Oregon, and Washington.

Prior to joining Rewiring America, I was a Senior Product Marketing Manager at Uplight and Energy Program Analyst at the District of Columbia Department of Energy and Environment, where I managed the Solar for All community solar program and

1 supported regulatory matters before the Public Service Commission of the District of
2 Columbia. Earlier in my career, I held regulatory affairs and market development
3 positions at Oracle Utilities (formerly Opower) and worked as a consultant for Northeast
4 Utilities (now Eversource Energy), supporting the development of energy efficiency
5 programs in Massachusetts.

6 I have testified before public utility commissions in New York and the District of
7 Columbia and oversaw the preparation of testimony in several proceedings before the
8 Colorado Public Utilities Commission (the “Commission”). My professional
9 qualifications are summarized in Attachment ASL-1.

10 **Q. What is the purpose of your Answer Testimony?**

11 A. In my Answer Testimony, I evaluate several aspects of Public Service Company of
12 Colorado’s (“PSCo” or “the Company”) proposed Large Load Tariff (“LLT” or
13 “Schedule TL”) and Clean Transition Tariff (“CTT” or “Schedule CTT”) and recommend
14 modifications that would better protect existing customers, improve tariff design, and
15 advance Colorado’s clean energy and electrification objectives.

16 **Q. Please summarize your recommendations.**

17 A. In my Answer Testimony, I recommend that the Colorado Public Utilities Commission
18 take the following actions:

- 19 ● Revise the proposed eligibility criteria for Schedule TL to ensure the tariff applies
20 to customers that create the planning, infrastructure, and financial risks it is
21 intended to address.
- 22 ● Expand eligibility under the CTT to include additional clean energy and demand-
23 side resources that provide measurable, verifiable system value, while

1 establishing safeguards to ensure resources are incremental and do not create cost

2 shifting or double counting.

- 3 ● Clarify that renewable energy credits (“RECs”) and other environmental attributes
4 associated with CTT-funded resources be owned by the large load customer(s)
5 funding those resources, absent an explicit agreement otherwise.

- 6 ● Ensure that Schedule TL customers make non-bypassable contributions to public
7 benefit programs and that the Commission consider a dedicated system benefits
8 charge to support electrification, weatherization, and affordability investments for
9 income-qualified (“IQ”) customers and customers residing in communities where
10 large loads of customers are planned.

11 **II. Eligibility Criteria for Customers Taking Service Under Schedule TL**

12 **Q. Do you have any recommendations regarding the proposed eligibility criteria for**
13 **Schedule TL?**

14 A. Yes. I support the Company’s proposal to establish a separate tariff for large load
15 customers. However, I recommend that the Commission modify the proposed eligibility
16 criteria to better align them with the purpose of Schedule TL. Specifically, the
17 Commission should ensure that the tariff applies to customers whose loads create
18 planning, infrastructure, and financial risks the tariff is intended to address. To
19 accomplish that objective, the eligibility criteria should be objective, administrable,
20 technology-neutral, difficult to circumvent, and aligned with cost-causation principles.

21

1 **Q. Please describe the Company's proposed eligibility criteria for customers taking**
2 **service under Schedule TL.**

3 A. The Company's proposed Schedule TL defines the eligibility and applicability criteria for
4 Schedule Transmission Large Service ("Schedule TL") around three primary
5 requirements: load magnitude, service voltage, and timing.

6 Load Magnitude Threshold: The tariff governs large load customers defined by a single-
7 premise capacity floor and contains different eligibility requirements for new
8 customers and existing customers with expanded loads. Schedule TL applies to
9 new customers whose reasonably forecast demand is 50 MW or greater and to
10 existing customers with incremental demand expansion of 50 MW or greater.¹

11 The term "premise" is defined in the Company's electric tariff as "a deeded
12 contiguous piece of land owned or leased by the Customer for which the
13 Company provides electric service."²

14 Transmission Voltage Requirement: Customers qualifying under the 50 MW threshold
15 are required to take electric power service supplied at transmission voltage. PSCo
16 prohibits these large loads from interconnecting at the distribution level tariff
17 without specific Commission-approved waiver or variance.³

18 Timing: Schedule TL applies to any customer who applies for new or expanded service
19 after the effective date of the tariff.⁴

¹ Hr'g Ex. 101, Jack Ihle Direct Test. 20:3–21:15 (Apr. 2, 2026).

² PSCo Electric Tariff at Sheet No. 18 (Third Revision).

³ Hr'g Ex. 101, Ihle Direct 24:19 n.8.

⁴ PSCo Electric Tariff at Sheet No. 18 (Third Revision).

1 **Q. Do you have any recommendations regarding the Company's proposed eligibility**
2 **criteria for Schedule TL?**

3 A. Yes. I support the Company's proposal to establish a separate tariff for large load
4 customers. However, I recommend that the Commission modify the proposed eligibility
5 criteria to better align them with the purpose of Schedule TL. Specifically, the
6 Commission should ensure that the tariff applies to customers whose loads create the
7 planning, infrastructure, and financial risks that the tariff is intended to address. To
8 accomplish that objective, the eligibility criteria should be objective, administrable,
9 technology-neutral, difficult to circumvent, and aligned with cost-causation principles.

10 **Q. Does the Company demonstrate that a 50 MW threshold is the appropriate demand**
11 **threshold for Schedule TL?**

12 A. No. While the Company proposes a 50 MW threshold, the record does not demonstrate
13 that this threshold corresponds to a meaningful change in planning requirements,
14 infrastructure needs, or cost causation. The Company does not identify any engineering,
15 planning, or economic analysis demonstrating that customers above 50 MW constitute a
16 distinct customer class for ratemaking purposes.

17 Although the Company compares its proposal to large load tariffs adopted in other
18 jurisdictions, those comparisons do not establish that 50 MW is the appropriate threshold
19 for Colorado.⁵ The utilities that PSCo points to in other jurisdictions operate under
20 different planning assumptions, regulatory frameworks, and policy objectives. Moreover,
21 the Company's comparison relies on a selective sample of recently adopted tariffs and

⁵ See Hr'g Ex. 101, Ihle Direct 21:17–22:8.

1 summarizes those thresholds using the arithmetic mean, which is sensitive to outlier
2 values. The Company does not explain why those methodological choices are appropriate
3 or why the resulting comparison supports adoption of a 50 MW threshold in Colorado.

4 Accordingly, the Commission should require the Company to demonstrate that
5 the selected threshold is tied to measurable differences in system impacts or cost
6 causation before approving it.

7 **Q. Setting aside the policy and contextual differences between Colorado and the other**
8 **jurisdictions, does the Company's evidence establish that 50 MW is a reasonable**
9 **threshold for Schedule TL?**

10 A. No. The Company's evidence does not establish that 50 MW is a reasonable threshold for
11 Schedule TL. The Company's principal evidence supporting the proposed threshold is a
12 comparison to large load tariffs adopted in other jurisdictions. Specifically, the Company
13 references a bubble chart of large load tariff capacity thresholds (Figure JWI-D-2)
14 published in a Rock Mountain Institute ("RMI") report, which is itself based on an
15 underlying data set from Halcyon.⁶ That comparison appears to show that large load
16 eligibility thresholds vary substantially, including thresholds both below and above the
17 Company's proposed 50 MW threshold.⁷ However, the Company has not provided the
18 underlying data or workpapers supporting its comparison. In discovery, the Company
19 stated that it does not possess the workpaper or underlying RMI/Halcyon data used to

⁶ *Id.* at Figure JWI-D-2.

⁷ *Id.*

1 develop Figure JWID-2 and referred to the figure reproduced in Mr. Ihle's testimony
2 instead.⁸

3 This limitation is significant because the Commission and intervenors are unable
4 to evaluate the characteristics of the individual tariffs included in the Company's
5 comparison, the rationale for the threshold adopted in those jurisdictions, or whether
6 those tariffs are appropriately comparable to Colorado. The Company's response also did
7 not provide the requested median thresholds or the underlying tariff-by-tariff data,
8 limiting the parties' ability to assess whether the Company's selected 50 MW threshold is
9 representative of the broader experience reflected in the cited data.⁹

10 The Company's Direct Testimony therefore establishes, at most, that 50 MW falls
11 within the range of thresholds adopted in other jurisdictions. It does not establish that 50
12 MW is the appropriate threshold for Colorado. Nor does it assess whether a lower
13 capacity threshold would be appropriate to protect existing customers from the risks
14 associated with large load development.

15 Where evidence does not establish a clear point at which large loads become
16 materially different from other customers, the Commission should be cautious about
17 adopting a threshold that could exclude customers whose loads nonetheless create
18 significant incremental planning, infrastructure, and financial risks. In light of this
19 uncertainty, I recommend that the Commission favor a lower eligibility threshold rather
20 than assuming that 50 MW is an appropriate threshold. At a minimum, the Company

⁸ PSCo Resp. to RA-SWEEP1-3 (Attach. ASL-2 at 2).

⁹ *Id.*

1 should be required to provide a more robust evidentiary basis demonstrating why 50

2 MW, rather than a lower threshold, is appropriate to protect existing customers.

3 **Q. Setting aside the policy and contextual differences between Colorado and other**
4 **states, does the Company's data sufficiently establish the 50 MW threshold as**
5 **reasonable?**

6 A. No. The Company's selected references to large load tariffs in other jurisdictions include
7 a range of load thresholds at, above, and below the 50 MW threshold proposed by
8 PSCo.¹⁰ The Company does not have access to and fails to provide details about the
9 underlying tariffs it relies on to select the 50 MW threshold, so its proposal is
10 underdeveloped and does not allow intervenors to assess the reasonableness of those
11 comparison tariffs to the present case.¹¹ The Halcyon data set on which the Company
12 relies is paywalled, making it difficult to assess the reasonableness of the 50 MW
13 threshold. Several large load tariffs in the data set appear to be set at a threshold lower
14 than 50 MW, but it is impossible to identify the exact numerical threshold, the rationale
15 used to establish the threshold, or other factors that may be relevant to assessing
16 applicability to the current application. Consequently, reasonable uncertainty exists about
17 whether a lower threshold may be more appropriate to protect incumbent ratepayers from
18 financial risks created by large load customer development.

¹⁰ Hr'g Ex. 101, Ihle Direct 21:17–22:8.

¹¹ See PSCo Resp. to RA-SWEEP1-3 (Attach. ASL-2 at 2).

1 **Q. Does the Company provide additional evidence to justify 50 MW as the appropriate**
2 **demand threshold for Schedule LT?**

3 A. Yes. Mr. Ihle supports the reasonableness of the 50 MW threshold by referencing a white
4 paper published by the North American Electric Reliability Corporation (“NERC”) Large
5 Load Task Force (“LLTF”), which Mr. Ihle asserts that large loads are defined as above a
6 50 to 75 MW threshold.¹² The NERC White Paper is included as Attachment ASL-3.

7 **Q. Does the NERC White Paper establish a 50 to 75 MW threshold for defining a large**
8 **load?**

9 A. No. The Company’s witness characterizes the NERC White Paper as supporting the
10 proposition that loads larger than 50 to 75 MW constitute a large load.¹³ However, that
11 characterization does not accurately reflect the NERC white paper cited by the Company.

12 The NERC White Paper does report the result of an informal November 2024
13 survey in which most respondents considered loads greater than 50 MW to be “large,”
14 and 75 MW was the most commonly suggested single number.¹⁴ But NERC did not
15 adopt either figure as a definitional threshold. In fact, NERC cautioned that what
16 constitutes a large load may depend on factors such as the voltage at which the load
17 interconnects and the characteristics of the local system, and it warned that reliance on a
18 single numerical threshold could create unintended consequences, including incentives to
19 size facilities below the threshold to avoid regulation. NERC concluded that size alone is

¹² Hr’g Ex. 101, Ihle Direct 22:3–6 (citing N. Am. Elec. Reliability Corp., Characteristics and Risks of Emerging Large Loads: Large Loads Task Force White Paper (2025), <https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/whitepaper-characteristics-and-risks-of-emerging-large-loads.pdf> (“NERC White Paper”)).

¹³ *Id.* at 22:3–6.

¹⁴ NERC White Paper at 11.

1 too limited a way to determine what constitutes a materially impactful large load.¹⁵ The
2 NERC White Paper expressly states that “[t]he LLTF has not yet provided a MW
3 threshold or more granular characteristics of large load” because further analysis and
4 development was forthcoming.¹⁶

5 **Q. Since the June 2025 publication of the NERC White Paper, has NERC LLTF done**
6 **additional work to define a MW threshold for large loads?**

7 A. Yes. In April 2026, NERC LLTF proposed a 20 MW threshold for registration of
8 Computational Load Entities connected to the Bulk Power System at 60 kV or greater,
9 with at least 1 MW of computational load.¹⁷ The NERC technical reasoning proposal for
10 Computational Load Entities is included as Attachment ASL-4. NERC explained that it
11 selected 20 MW because that threshold would capture the vast majority of computational
12 load entities posing reliability risks and help ensure that sufficient entities would be
13 subject to applicable reliability standards.¹⁸

14 Accordingly, NERC’s work does not establish 50 MW as a generally accepted
15 definition of large load. Rather, NERC’s ongoing work demonstrates that there is no
16 single national established MW threshold and that the appropriate threshold may depend
17 on the characteristics of the load and the system to which it is connected. NERC’s recent
18 technical work provides additional support for a lower threshold of 20 MW for large load
19 customers.

¹⁵ *Id.* at 11–12.

¹⁶ *Id.* at 2.

¹⁷ N. Am. Elec. Reliability Corp., Technical Reasoning: Proposed Computational Load Entity 3 (2026), <https://www.nerc.com/globalassets/who-we-are/rules-of-procedure/proposed/cle-technical-reasoning-april-2026-posting.pdf>.

¹⁸ *Id.*

1 I therefore recommend that the Commission reduce the proposed Schedule TL
2 eligibility threshold from 50 MW to 20 MW.

3 While NERC's proposed 20 MW threshold applies to a specific reliability
4 registration construct rather than retail rate design, it provides a more current and
5 technically grounded benchmark than the informal survey results cited by the Company.
6 A 20 MW threshold would also provide greater protection to existing customers by
7 ensuring that customers whose loads may create material incremental planning,
8 infrastructure, and financial risks are subject to the protections of Schedule TL. Given the
9 absence of evidence establishing 50 MW as a meaningful threshold for Colorado, the
10 Commission should not adopt a higher threshold that leaves potentially significant large
11 load risks outside the protections of Schedule TL.

12 **Q. Does the Company provide additional support for the 50 MW threshold?**

13 A. Yes. Mr. Ihle states that several other Xcel Energy large load tariffs that are either filed or
14 under development have eligibility thresholds between 75 MW and 100 MW.¹⁹

15 **Q. Is the Company's reference to those other Xcel Energy tariffs persuasive evidence**
16 **that 50 MW is an appropriate threshold for Schedule TL in Colorado?**

17 A. No. The Company's reference to other Xcel Energy proceedings has limited probative
18 value in determining the appropriate eligibility threshold in this proceeding. Mr. Ihle does
19 not identify the states or proceedings underlying his assertion, does not identify the basis
20 for the thresholds adopted or proposed in those proceedings, and does not explain why

¹⁹ Hr'g Ex. 101, Ihle Direct 22:6–8.

1 those proceedings provide an appropriate basis for determining the eligibility threshold
2 for Schedule TL in Colorado.²⁰

3 The mere fact that Xcel Energy has proposed or is considering thresholds between
4 75 MW and 100 MW in other jurisdictions does not establish that those thresholds—or
5 the Company's proposed 50 MW threshold—are appropriate for Colorado. The
6 Commission should determine the appropriate threshold based on the evidence regarding
7 Colorado's system conditions, planning requirements, cost causation, and the risks that
8 Schedule TL is intended to address.

9 **Q. Beyond the numerical demand threshold, do you have recommendations regarding**
10 **how customer eligibility should be determined?**

11 A. Yes. In my view, eligibility should be based on a customer's total impact on the electric
12 system, rather than the configuration of its facilities at a single premises.

13 Customers with comparable aggregated demand create comparable planning,
14 interconnection, and infrastructure requirements regardless of whether that demand is
15 served through a single interconnection point, multiple adjacent parcels, or multiple
16 affiliated facilities in non-adjacent parcels. Conversely, an eligibility framework that
17 evaluates each interconnection independently creates opportunities for customers to avoid
18 Schedule TL through facility design or project structuring without reducing the actual
19 costs they impose on the system.

²⁰ *Id.*

1 For that reason, I recommend that the tariff establish objective aggregation rules
2 for facilities under common ownership or control, including affiliated entities, where
3 appropriate.

4 **Q. Do you have recommendations regarding how Schedule TL eligibility should be**
5 **determined for existing customers with expanded loads?**

6 A. Yes. The Company does not present evidence demonstrating why existing customer
7 demand should be excluded when determining whether a customer meets the Schedule
8 TL eligibility threshold. Under the Company's proposal, an existing customer with a 30
9 MW demand that requests an incremental expansion to 60 MW after the effective date of
10 Schedule TL would not be required to take service under Schedule TL.²¹ In contrast, a
11 customer that initially interconnects at 30 MW after the effective date of Schedule TL
12 and subsequently requests an incremental expansion to 60 MW at the same premises
13 would be required to take service under Schedule TL.

14 The Company does not identify any planning, interconnection, infrastructure, or
15 cost-causation rationale for treating these customers differently. In both cases, the
16 customer ultimately has 50 MW of demand at the same premises and may create
17 comparable incremental system impacts. The only distinction is whether the initial 20
18 MW of demand was established before or after the effective date of Schedule TL.

19 The Commission's direction that the Company provide customers "fair notice"
20 that the forthcoming large load tariff could affect the terms of their electric service is also
21 relevant.²² That direction contemplated that the new tariff could result in changes to the

²¹ PSCo Resp. to CPUC 1-7, 1-10 (Attach. ASL-2 at 3-4).

²² Proceeding No. 24A-0442E, Decision No. C25-0747 at 31 ¶ 68 (Nov. 6, 2025).

1 terms or rate code applicable to existing customers as they add load. Accordingly, the
2 effective date of Schedule TL should not create a permanent exemption for existing
3 customers whose subsequent load growth causes them to meet the eligibility threshold.

4 **Q. Should eligibility also account for customers that expand over time?**

5 A. Yes. A customer that reaches 50 MW through a series of incremental expansions can
6 create the same planning and infrastructure requirements as a customer that adds the
7 same load through a single project. Treating those customers differently simply because
8 one expansion occurs in phases would produce inconsistent outcomes for similarly
9 situated customers and create incentives to structure projects around the tariff rather than
10 around customer operational needs.

11 I recommend that all load served by the customer, including load in service prior
12 to the effective date of Schedule TL and incremental expansion load, count toward the 50
13 MW eligibility threshold. Once the customer reaches the 50 MW threshold, its entire load
14 should be subject to Schedule TL, including load that was in service prior to the tariff's
15 effective date.

16 **Q. Do you have any recommendations regarding assignment of Schedule TL Electric**
17 **Service Agreements ("ESAs")?**

18 A. Yes. The model ESA for Schedule TL relies on long-term contractual commitments and
19 customer creditworthiness to protect existing customers from the financial risks
20 associated with serving large load customers.²³ These protections are detailed in Section

²³ Hr'g Ex. 101, Ihle Direct, Attach. JW1-1 at 6.

1 14 of the ESA. Those protections should remain in place if a project is transferred to an
2 affiliate or another entity.

3 Section 15 of the Company's proposed ESA governs the assignment or transfer of
4 rights and obligations under the ESA.²⁴ Section 15 generally provides that an assignment
5 may not proceed without the written consent of the other party. Mr. Ihle explains that this
6 restriction is intended to "prevent a reliable, creditworthy customer from unilaterally
7 assigning its ESA to a less creditworthy customer."²⁵

8 However, Section 15 then creates an exception for affiliate transfers, providing
9 that a "[c]ustomer may assign or transfer its rights and obligations under the Agreement
10 to an Affiliate upon written notice to Company," without expressly requiring the
11 Company's consent or approval.²⁶ This creates a potential gap in the Company's
12 proposed protections because the ESA does not clearly establish that the Company's
13 approval is required before an affiliate transfer becomes effective or specify how the
14 Company's creditworthiness requirements apply to the proposed affiliate assignee.

15 This issue is particularly important because in discovery the Company stated that
16 an affiliate assignee must independently demonstrate that it satisfies the Company's
17 credit requirements and that the Company "may reject the proposed assignment and/or
18 require security as set forth in Section 14 of the proposed ESA."²⁷ Yet Section 15 does
19 not expressly provide the Company with a right to approve or reject an affiliate

²⁴ *Id.* at 9.

²⁵ Hr'g Ex. 101, Ihle Direct 49:10–11.

²⁶ Hr'g Ex. 101, Ihle Direct, Attach. JW1-1 at 9.

²⁷ PSCo Resp. to RA-SWEEP1-7 (Attach. ASL-2 at 5).

1 assignment, and Section 14 addresses the Customer's credit support obligations but does
2 not expressly establish that an affiliate assignment is subject to Company approval.

3 I therefore recommend that the ESA be revised to expressly require the
4 Company's prior written approval of any proposed assignment or transfer to an Affiliate
5 and to establish that the Affiliate must satisfy the applicable creditworthiness and credit-
6 support requirements before the assignment becomes effective. This change would align
7 the operative language of Section 15 with the Company's stated intent that the
8 assignment provisions prevent a creditworthy customer from transferring its ESA to a
9 less creditworthy entity and would close a potential loophole through which a Customer
10 could unilaterally transfer its ESA to an Affiliate upon written notice without the
11 Company's affirmative approval.

12 **Q. Please summarize your recommendations regarding which customers should be**
13 **eligible for Schedule TL.**

14 A. I recommend that the Commission modify the proposed eligibility criteria to ensure that
15 Schedule TL applies to customers whose loads create the system and financial risks the
16 tariff is intended to address. Specifically, I recommend that the Commission:

- 17 ● Reduce the Schedule TL eligibility threshold from 50 MW to 20 MW. The
18 record does not establish 50 MW as a meaningful threshold for system
19 impacts or cost causation, and PSCo acknowledges that the threshold is an
20 administrative construct rather than an engineering or planning threshold.
- 21 ● Aggregate load across facilities and interconnection points, where
22 appropriate, so that customers cannot avoid Schedule TL through the
23 configuration or location of their facilities.

- 1 ● Include existing customer demand when determining Schedule TL eligibility.
- 2 A customer's total demand should count toward the eligibility threshold,
- 3 including load that was established before the effective date of Schedule TL.
- 4 ● Preserve Schedule TL's financial protections following an assignment or
- 5 transfer. Transfers to affiliates or other entities should remain subject to
- 6 appropriate creditworthiness and credit-support requirements.

7 **III. Clean Transition Tariff Eligibility Should Be Based on Incremental System Value, Not**
8 **Technology Type**

9 **Q. Please describe the purpose of the Company's proposed Clean Transition Tariff**
10 **("CTT") and the recommendations that led to its inclusion in this proceeding.**

11 A. The CTT provides an opportunity for large load customers to voluntarily support new
12 clean resources to serve their load. The Commission directed the Company to propose a
13 CTT as part of this Large Load Tariff proceeding based on recommendations made by
14 Western Resource Advocates, SWEEP, and the Conservation Coalition in the Phase I Just
15 Transition Solicitation ("JTS") decision.²⁸ Those parties recommended a CTT that would
16 allow large load customers to procure or sponsor zero-emitting resources to meet their
17 demands and that would not otherwise be procured by the Company as system
18 resources.²⁹

19 **Q. Do you support the concept of a Clean Transition Tariff?**

20 A. Yes. I support the concept of the CTT because it provides large load customers with an
21 opportunity to voluntarily finance additional clean energy resources and advance their

²⁸ Proceeding No. 24A-0442E, Decision No. C25-0747 at 38 ¶ 84 (Nov. 6, 2025).

²⁹ *Id.* at 36–37 ¶ 80.

1 clean energy objectives without requiring other customers to bear the incremental costs of
2 those resources.

3 However, I recommend that the Commission expand the Company's proposed
4 definition of eligible resources. The Company's proposal is unnecessarily limited to
5 emerging carbon-free electric technologies, long-duration storage, and certain other
6 resources that the Company characterizes as innovative or advanced.³⁰ The Company
7 identifies examples of eligible technologies to include geothermal, hydroelectric,
8 hydrokinetic, nuclear, renewably sourced hydrogen, long duration storage, and electrical
9 energy from fossil resources with active capture and storage of carbon dioxide emissions
10 that meets Environmental Protection Agency requirements.³¹ The Company's proposed
11 tariff specifies that the following technologies are ineligible under CTT: "commercially
12 mature wind, solar, short duration storage, and any technology that directly emits carbon
13 dioxide while producing electricity."³²

14 **Q. Do you agree with the Company's proposed definition of CTT-eligible resources?**

15 **A.** No. CTT eligibility should be based on resource attributes, rather than on a circumscribed
16 list of eligible technologies. Specifically, CTT-eligibility should be based on whether a
17 resource is additional and provides a measurable and verifiable system and environmental
18 value, rather than on whether the resource falls within a particular technology category or
19 is considered non-cost-effective.

³⁰ Hr'g Ex. 102, Michael Pascucci Direct Test. 46:18–21; 47:16–48:11 (Apr. 2, 2026).

³¹ *Id.* at 47:17 n.25.

³² Hr'g Ex. 102, Attach. MVP-1 at 2.

1 **Q. Do you support the Company’s proposal to proscribe from the CTT any resources**
2 **that directly emit carbon dioxide while producing electricity?**

3 A. Yes. I support retaining the Company’s proposed requirement that CTT resources be non-
4 emitting. The CTT is intended to provide large load customers with an optional pathway
5 to support new clean energy resources and advance both customer and state clean energy
6 objectives.³³ Limiting eligible resources to non-emitting resources is a technology-neutral
7 requirement that is consistent with those objectives.

8 My recommendation is therefore not to broaden the CTT to include all resources.
9 Rather, the Commission should retain the non-emitting requirement while removing
10 unnecessary restrictions on which types of non-emitting resources may qualify.

11 **Q. Do you agree with the Company’s proposal to limit CTT eligibility primarily to**
12 **emerging or innovative generation or long-duration storage resources?**

13 A. No. The Company has not demonstrated why the CTT should be limited to emerging or
14 innovative generation and long-duration storage resources.

15 The Company’s proposed definition includes “emerging carbon free electric
16 technologies and long duration storage that enable operation of a carbon-free system,”
17 while excluding commercially mature wind, solar, and short-duration storage. Long-
18 duration storage is eligible even though storage does not itself generate electricity.³⁴ The
19 Company therefore recognizes that a resource can advance the clean energy transition
20 through its functional attributes, rather than solely through electricity generation. Yet the

³³ Proceeding No. 24A-0442, Decision No. C25-0747 at 36–37 ¶ 80, 38 ¶ 84.

³⁴ Hr’g Ex. 102, Pascucci Direct 47:17 n.25.

1 Company does not explain why other non-generating resources that can provide
2 comparable system value should be categorically excluded.

3 The Commission's Phase I JTS decision is also consistent with considering the
4 value of flexible demand. The Commission stated that "[l]oad flexibility could be critical
5 in advancing the possibility of a Clean Transition Tariff."³⁵ This indicates that the
6 Commission contemplated a CTT that could recognize zero-emissions resources beyond
7 generation, to include distributed flexibility resources, such as aggregated virtual power
8 plants ("AVPPs") and other customer-sited DERs.

9 **Q. What standard should the Commission use to determine whether a resource is**
10 **eligible for the CTT?**

11 A. I recommend that eligibility be based on measurable and verifiable system and
12 environmental value, rather than on the technology category or commercial maturity of
13 the resource. A qualifying resource should provide one or more incremental benefits,
14 such as:

- 15 • Incremental clean energy or verified avoided energy;
- 16 • Incremental clean capacity or verified avoided capacity;
- 17 • Verified peak demand reduction;
- 18 • Verified load flexibility; or
- 19 • Avoided or deferred generation, transmission, or, where appropriate, distribution
20 investment.

21 This approach is consistent with the Commission's direction that the LLT should
22 account for the actual incremental costs and benefits serving large loads, including

³⁵ Proceeding No. 24A-0442, Decision No. C25-0747 at 257 ¶ 657.

1 differences in load flexibility during critical peak periods. The Company itself recognizes
2 that flexible demand can reduce or delay the need for transmission and generation
3 infrastructure and associated capital expenditures.³⁶

4 A technology-neutral, value-based standard would also allow the CTT to evolve
5 as the electric system and available technologies evolve, without requiring the
6 Commission to periodically determine whether individual technologies should be added
7 to or removed from a CTT eligibility list.

8 **Q. What types of resources could satisfy this proposed eligibility standard?**

9 A. A broad range of new clean resources could provide the types of system value I have
10 described. Examples include, but are not limited to:

- 11 • Behind-the-meter (“BTM”) solar generation;
- 12 • BTM energy storage (long- or short duration);
- 13 • Energy efficiency and weatherization;
- 14 • Conversion of electric resistance space and water heating to high-efficiency heat
15 pumps;
- 16 • Demand response and other flexible load resources, including managed electric
17 vehicle charging;
- 18 • Virtual power plants;
- 19 • Utility-scale wind, solar, and geothermal generation;
- 20 • Front-of-the-meter (“FTM”) energy storage (long- or short-duration)
- 21 • Thermal energy networks; and
- 22 • Other resources that can provide measurable and verifiable clean capacity and/or
23 avoided capacity benefits.

³⁶ Hr’g Ex. 102, Pascucci Direct 20:4–9.

1 These resources differ in their physical characteristics and operating parameters,
2 but they can provide equivalent forms of system value aligned with my proposed
3 eligibility principles for CTT resources. For example, energy efficiency and
4 weatherization measures that permanently reduce peak demand can reduce the need for
5 generation capacity, just as an additional generation resource can increase available
6 generation capacity. Similarly, demand response or an aggregated virtual power plant can
7 provide flexible capacity during periods of peak demand or system constraints.

8 The appropriate question for purposes of the CTT therefore should not be whether
9 a resource is classified as “generation.” It should be whether the resource provides
10 measurable, verifiable, incremental value that supports the purposes of the CTT.

11 **Q. Why should commercially mature clean energy resources also be eligible for the**
12 **CTT?**

13 A. The Company has not demonstrated that the CTT’s objectives require limiting eligibility
14 to pre-commercial or emerging technologies. While those objectives may be appropriate
15 for the Carbon Free Future Development (“CFFD”) fund approved in the JTS proceeding,
16 the CTT is designed to address different goals and should use different criteria for
17 eligible resources.³⁷ In the JTS, the CFFD is designed to support studies of financial risk
18 and development of emerging clean firm resources like nuclear, geothermal and carbon
19 capture and storage. The CTT serves a different purpose and therefore should not simply
20 replicate the CFFD’s eligibility criteria. Instead, CTT eligibility should turn on whether a
21 resource can provide the types of incremental clean energy or capacity value the CTT is

³⁷ Proceeding No. 24A-0442E, Decision No. C25-0747 at 114–15 ¶ 272.

1 intended to support, rather than whether the resource has reached a particular level of
2 commercial maturity.

3 The Company identifies several objectives for the CTT, including enabling large
4 load customers to secure new clean energy resources, supporting Colorado’s emissions
5 reduction goals, and providing a framework for customer-supported projects outside the
6 Company’s ordinary Electric Resource Plan process.³⁸ None of these objectives
7 inherently requires that an eligible resource be commercially immature. The Company
8 additionally puts forward the CTT goal to accelerate development of innovative or zero-
9 emitting resources and to avoid exposing other retail customers to investment risk related
10 to emerging technologies.

11 Indeed, the Company’s own example of the Xcel Energy-Minnesota and Google
12 arrangement illustrates that customer-supported clean energy investments can include
13 commercially established technologies. The Company describes that arrangement as
14 involving 1,400 MW of wind, 200 MW of solar, 300 MW of long-duration storage, and a
15 \$50 million investment in the Xcel Energy-Minnesota Capacity*Connect Program³⁹—a
16 program that procures FTM four-hour batteries (“BESS”).⁴⁰ Under the Company’s
17 proposed CTT framework, the wind, solar, and four-hour batteries would be ineligible to
18 qualify for capacity resources, despite demonstrated benefits and interest from large load
19 customers.

³⁸ Hr’g Ex. 102, Pascucci Direct 47:2–9.

³⁹ *Id.* at 46:3–9.

⁴⁰ Minn. Pub. Util. Comm’n, Docket No. E002/M-25-378, Capacity*Connect Reply Comments, Attachment B, Table B-1 (Jan. 9, 2026).

1 There is no reason that a large load customer should be permitted to voluntarily
2 fund a new hydroelectric resource—a mature resource included in the Company’s CTT
3 proposal—but prohibited from voluntarily funding a new wind, solar, or VPP resource if
4 the latter provides measurable incremental clean energy or capacity value. The CTT
5 should encourage additional clean resources that provide measurable system value, rather
6 than artificially favoring resources based on their commercial maturity or technology
7 type. Nor should the CTT be limited to certain types of generation and long-duration
8 energy storage while excluding energy efficiency, demand flexibility, and short-duration
9 energy storage that can provide measurable and verifiable system benefits. Finally, the
10 CTT should not arbitrarily distinguish between front-of-the-meter and behind-the-meter
11 resources when both resources can provide measurable and verifiable system value.

12 **Q. Should eligibility for the CTT be conditioned on additionality?**

13 A. Yes. An expanded definition of eligible resources should be accompanied by a clear
14 additionality requirement.

15 A CTT resource should be newly developed, newly contracted, or otherwise
16 demonstrably incremental to resources that the Company or other customers would have
17 acquired absent the large load customer’s participation. In particular, a resource should
18 not qualify for CTT treatment if it is already reflected in the Company’s resource
19 planning, has already been committed through another procurement process, or is already
20 being funded through a utility-administered program or other compliance obligation.

21 The additionality requirement should therefore apply equally to generation,
22 storage (long-duration and short-duration), energy efficiency, demand response, and other
23 eligible resources.

1 **Q. What safeguards should accompany an expanded definition of eligible CTT**
2 **resources?**

3 A. The tariff should include safeguards to prevent cost shifting and double counting,
4 particularly where CTT resources interact with existing utility-administered programs.

5 First, participation by large load customers should not reduce the availability of
6 existing programs to other customers. A large load customer should not be permitted to
7 access a limited pool of ratepayer-funded demand-side management (“DSM”), beneficial
8 electrification (“BE”), clean heat plan, or transportation electrification incentives in a
9 manner that reduces the resources available to the customers those programs are intended
10 to serve.

11 Second, the Commission should establish clear attribution rules where a project
12 receives funding from multiple sources. For example, if a customer installs a heat pump
13 using both a utility-administered DSM rebate and additional funding from a large load
14 customer through the CTT, the CTT should receive credit only for the incremental
15 investment attributable to the large load customer. The associated energy savings,
16 demand reductions, emissions reductions, and other benefits should be allocated
17 consistently with the respective funding contributions.

18 Third, the Commission should permit such funding arrangements where they are
19 necessary to produce projects that would not otherwise occur. The appropriate policy is
20 therefore not necessarily to prohibit incentive stacking, but to establish transparent rules
21 governing additionality, cost allocation, and attribution so that the same resource is not
22 counted multiple times.

1 **Q. Does the Company’s existing demand response program portfolio provide a**
2 **sufficient alternative to include demand-side resources and virtual power plants in**
3 **the CTT?**

4 **A.** No. The Company’s existing demand response programs do not provide a substitute for
5 the broader range of demand-side resources I recommend being eligible for the CTT.

6 The Company states that it intends to rely on its existing demand response
7 programs to provide system benefits for large load customers and avoid creating
8 duplicative large-load-specific programs.⁴¹ The Company’s testimony identifies
9 programs including the Interruptible Service Option Credit (“ISOC”) program, Peak
10 Partners Rewards, Peak Day Partners, and Critical Peak Pricing, which provide options
11 for commercial and industrial customers with different levels of flexibility.⁴²

12 These programs, however, do not address the full range of resources that should
13 be eligible under the CTT. In particular, the Company’s existing programs focus on
14 flexibility provided by the large load customer’s own facility. They do not provide an
15 equivalent pathway for a large load customer to support an aggregated portfolio of
16 distributed energy resources, such as residential batteries, heat pumps, water heaters,
17 solar-plus-storage systems, or other flexible loads through a virtual power plant.

18 The CTT should therefore provide an opportunity for a large load customer to
19 voluntarily fund or support an aggregated portfolio of new distributed resources where
20 that portfolio provides measurable and verifiable incremental energy, capacity, or

⁴¹ Hr’g Ex. 102, Pascucci Direct 23:7–12.

⁴² *Id.* at 22:13–23.

1 flexibility value. Such a resource would be materially different from a demand response
2 program that simply pays the large load customer to curtail its own facility.

3 The distinction is important because a large load customer's participation in a
4 VPP or other aggregated DER portfolio can provide benefits beyond the customer's own
5 meter. The portfolio can reduce system demand, provide flexible capacity, and potentially
6 defer or avoid generation, transmission, or distribution investments. Excluding these
7 resources from the CTT simply because PSCo already offers demand response programs
8 to large customers would therefore prevent the CTT from recognizing a broader category
9 of system resources.

10 **Q. Would allowing these resources to participate in the CTT necessarily require the**
11 **Commission to create a new demand response program for large load customers?**

12 A. No. The CTT need not duplicate the Company's existing demand response programs.
13 Instead, it should establish a separate pathway for large load customers to voluntarily
14 support incremental resources that are not otherwise being procured or funded through
15 existing programs. The additionality and attribution requirements I recommend would
16 prevent the CTT from simply substituting for existing demand response or other
17 ratepayer-funded programs.

18 **Q. Does the Company's existing Renewable*Connect program provide an adequate**
19 **pathway for large load customers to procure new utility-scale wind and solar**
20 **resources?**

21 A. No. Renewable*Connect does not provide an equivalent alternative to allowing large load
22 customers to use the CTT to support new, incremental utility-scale renewable resources.

1 The Company itself identifies Renewable*Connect as a voluntary program
2 through which residential and commercial customers can subscribe to dedicated wind and
3 solar resources.⁴³ However, Renewable*Connect is not designed to provide the same type
4 of resource procurement and load-matching arrangement contemplated by the CTT.

5 In particular, the Renewable*Connect credit and charge mechanism under
6 Schedule RC is calculated on an annual basis and cleared monthly, whereas the CTT
7 contemplates hourly load matching and clean energy credit accounting. Monthly
8 subscription crediting does not provide the temporal matching necessary for a large load
9 customer seeking to demonstrate that its electricity consumption is matched with clean
10 energy resources on an hourly basis in support of corporate clean energy goals.

11 Accordingly, the existence of Renewable*Connect should not be a basis for excluding
12 commercially mature wind and solar resources from the CTT.

13 **Q. To summarize, what modifications do you recommend to the Company's proposed**
14 **Clean Transition Tariff?**

15 A. I recommend that the Commission approve the CTT with the following modifications:

- 16 ● Retain the requirement that CTT resources be non-emitting.
- 17 ● Expand eligibility beyond emerging or pre-commercial technologies to include
18 any new clean resource that provides measurable and verifiable system value.
- 19 ● Apply a technology-neutral eligibility standard based on incremental clean
20 energy, clean capacity, verified load reduction, load flexibility, or avoided or
21 deferred system investment.

⁴³ *Id.* at 46:9–12.

- Include customer-sited DERs, energy efficiency, demand response, virtual power plans, distributed solar, short-duration energy storage (including BTM and FTM arrangements), thermal energy networks, and utility-scale renewable resources among the potential eligible resources.
- Adopt a clear additionality requirement ensuring that CTT resources are new and incremental to Company planning, existing procurement commitments, utility-administered programs, and other compliance obligations.
- Protect existing ratepayer-funded programs from reduced funding or availability resulting from CTT participation.
- Establish attribution and cost-allocation rules for projects supported by multiple funding sources to prevent double counting, while allowing complementary funding arrangements where they produce incremental resource value.

These modifications would preserve the Company's objective of allowing large load customers to voluntarily support clean energy resources, while ensuring that the CTT recognizes the full range of resources capable of delivering measurable system benefits.

IV. Ownership of Renewable Energy Credits and Environmental Attributes Produced by CTT Resources

Q. What does the Company propose regarding environmental attributes, including renewable energy credits (“RECs”) and greenhouse gas emissions, associated with CTT resources?

A. The Company proposes to retain the environmental attributes associated with CTT resources, including RECs, and use those attributes for compliance with state emissions

1 policies. The proposed tariff would allow a large load customer that wishes to retain
2 those attributes to negotiate a separate commercial agreement with the Company as part
3 of the ESA and subject to a future prudence review.⁴⁴ The Company confirms that it
4 intends to retire CTT-generated RECs for compliance because RECs are necessary to
5 achieve Colorado's emissions reduction goal.⁴⁵

6 The proposal is inconsistent with a central purpose of the CTT: providing large
7 load customers with a voluntary mechanism to support incremental clean energy
8 resources in furtherance of their corporate clean energy goals. The Company itself
9 describes the CTT as an opportunity for large load customers to secure new clean energy
10 resources aligned with these goals.⁴⁶

11 The Commission should therefore require that RECs and other environmental
12 attributes associated with CTT resources be transferred to and retained by the large load
13 customer that funds the incremental resource, unless that customer voluntarily agrees to
14 transfer those attributes to the Company.

15 **Q. Why should the large load customers retain the RECs and other environmental**
16 **attributes associated with a CTT resource that it funds?**

17 A. The environmental attributes are an important part of the value of the clean energy
18 resources that a large load customer is voluntarily paying to procure. If the customer pays
19 the incremental cost of a resource but does not receive the associated environmental

⁴⁴ *Id.* at 49:4–7; *see also* Hr'g Ex. 102, Attach. MVP-1 at 5.

⁴⁵ PSCo. Resp. to CEBA1-2 (Attach. ASL-2 at 7).

⁴⁶ Hr'g Ex. 102, Pascucci Direct 46:18–21.

1 attributes, the customer cannot claim the clean energy attributes associated with the
2 resource for which it is paying.

3 A customer seeking to advance its corporate clean energy goals through the
4 proposed CTT framework would not only need to fund the incremental cost of the CTT
5 resource, but it would also need to negotiate transfer of the associated RECs and clean
6 energy attributes from the Company at additional cost.

7 As proposed, the CTT places the financial responsibility for developing the clean
8 resource on the large load customer, but allows the Company to retain the environmental
9 attributes associated with the resource. The Company provides no evidentiary basis for
10 why PSCo should receive that value when the large load customer is responsible for the
11 incremental cost of the CTT resource. Nor does the tariff establish a mechanism to
12 automatically compensate the large load customer for the value of the attributes retained
13 by PSCo. Instead, it requires a customer that wishes to retain the attributes to negotiate a
14 separate commercial agreement with the Company.

15 I therefore recommend that ownership of the environmental attributes, including
16 RECs and greenhouse gas reduction, default to the large load customer funding the
17 resource.

18 **Q. Has the Company provided a sufficient justification for retaining RECs associated**
19 **with a CTT resource funded by a large load customer?**

20 A. No. The Company's response in discovery establishes that its principal justification is
21 that it can use the RECs for its own compliance with state emissions policies.⁴⁷ But PSCo

⁴⁷ PSCo Resp. to CEBA1-2 (Attach. ASL-2 at 6–7).

1 does not identify a reason why the Company, rather than the customer funding the
2 resource, should own the associated environmental attributes.⁴⁸ Indeed, the Company's
3 discovery response makes the problem particularly clear. PSCo acknowledges that RECs
4 are generally the mechanism through which large customers demonstrate progress toward
5 and compliance with their clean energy goals. Yet the Company continues to propose
6 retaining those RECs by default.

7 In other words, the Company recognizes that the REC is the accounting
8 instrument that gives a clean energy investment value for a customer's corporate clean
9 energy objectives, but it proposes to remove that instrument from the customer that funds
10 the investment. That is difficult to reconcile with the stated purpose of the CTT.

11 **Q. Why would allowing PSCo to retain or retire the environmental attributes or RECs**
12 **associated with CTT resources undermine the purpose of the CTT?**

13 **A.** Allowing PSCo to retain or use the environmental attributes could undermine both the
14 additionality and the customer-choice objectives of the CTT mechanism.

15 First, the CTT is intended to facilitate new clean energy resources that a large
16 load customer voluntarily chooses to support. If PSCo subsequently uses the
17 environmental attributes generated by that resource to satisfy its own statutory or
18 regulatory compliance obligations, the environmental benefits associated with the
19 customer's investment are effectively being used to satisfy the obligations that otherwise
20 would have required action by the Company. For example, if PSCo retired CTT-
21 generated RECs or other environmental attributes for compliance with state clean energy

⁴⁸ *Id.*

1 or decarbonization requirements,⁴⁹ PSCo could use a resource funded by the large load
2 customer to satisfy an obligation that PSCo otherwise would have needed to satisfy
3 through its own procurement or other compliance activities. That erases the incremental
4 environmental value of the large load customer's investment and could result in the same
5 resource attributes being claimed toward both the CTT customer and the Company's
6 compliance portfolio.

7 Second, retaining the attributes can undermine corporate clean energy purposes of
8 the CTT. A large load customer may be able to claim that it financed a clean energy
9 project. But if it does not own or control the associated RECs or other environmental
10 attributes, the customer may not be able to make the corresponding claim regarding the
11 clean energy attributes of its electricity consumption.

12 The Commission should therefore ensure that the party paying for the incremental
13 clean resource also receives the associated environmental value, unless that value is
14 expressly transferred pursuant to an agreement with the customer.

15 **Q. Should the Company be permitted to sell or otherwise transfer environmental**
16 **attributes associated with CTT resources?**

17 A. Not without the consent of the large load customer that funded the resource, or an
18 appropriate mechanism to compensate that customer for the value of the attributes. RECs
19 and other environmental attributes have economic value independent of the underlying
20 electricity. If the Company retains those attributes without compensation, the Company

⁴⁹ See, e.g., Colo. Rev. Stat. § 40-2-125.5(3)(a)(I), (II).

1 would receive an economic benefit from a resource whose incremental cost is being
2 borne by the large load customer.

3 PSCo's proposal is particularly problematic because it would require the customer
4 to negotiate separately with the Company to obtain attributes associated with a resource
5 the customer is already paying to support. The tariff does not establish a transparent
6 valuation methodology, compensation mechanism, or ratemaking treatment for such a
7 transfer. For example, under the Company's proposal, a large load customer could fund a
8 CTT resource, PSCo could retain the resulting RECs, and the customer could then have
9 to pay PSCo additional compensation to acquire those same RECs. That outcome would
10 provide PSCo with an economic benefit from the environmental attributes without
11 requiring the Company to bear the corresponding incremental resource cost.

12 If the Commission determines that PSCo should retain or control environmental
13 attributes for a particular CTT resource, the tariff should at minimum require transparent
14 valuation and compensation and establish how any resulting revenues are treated for
15 ratemaking purposes.

16 **Q. What changes do you recommend regarding environmental attributes under the**
17 **CTT?**

18 A. I recommend that the Commission modify the Company's proposed CTT tariff as
19 follows:

- 20 • RECs and other environmental attributes associated with a CTT resource should
21 be owned and controlled by the large load customer that funds the resource.

- 1 ● PSCo should not use CTT-generated environmental attributes to satisfy its own
2 statutory, regulatory, or compliance obligations unless the large load customer
3 expressly transfers those rights to the Company.
- 4 ● PSCo should not sell, transfer, or otherwise monetize CTT environmental
5 attributes without the customer's authorization.
- 6 ● If a customer voluntarily transfers environmental attributes to PSCo, the tariff
7 should establish transparent valuation, compensation, accounting, and reporting
8 requirements for the transaction.
- 9 ● The Commission should establish clear attribution rules to prevent the same
10 environmental attributes from being claimed by both the CTT customer and PSCo
11 or another party.

12 These changes would align ownership of environmental attributes with
13 responsibility for the incremental cost of the CTT resource, preserve the CTT's
14 additionality, and ensure that large load customers receive the clean energy value from
15 the resources that they are solely paying to develop.

16 **V. Public Benefit Program Funding**

17 **Q. Should customers taking service under Schedule TL contribute to public benefit**
18 **programs?**

19 **A.** Yes. Schedule TL customers should pay the same applicable public benefit charges as
20 other customers and those charges should be non-bypassable. PSCo proposes to apply the
21 established class cost-allocation methodologies to Schedule TL customers for charges
22 including the Demand-Side Management Cost Adjustment ("DSMCA"), Transportation
23 Electrification Programs Adjustment ("TEPA"), Wildfire Mitigation Adjustment

1 (“WMA”), and Energy Assistance Program (“EAP”) funded through the Services &
2 Facilities Charge (“S&F Charge”).⁵⁰ I support applying these charges to Schedule TL
3 customers, rather than creating an exemption for large loads.

4 This is particularly important because large load customers should contribute to
5 public benefit programs based on their status as retail customers and their participation in
6 the electric system, rather than being permitted to avoid those obligations through the use
7 of customer-sited generation, storage, or other behind-the-meter resources.

8 The Commission should therefore make clear that public benefit charges
9 applicable to Schedule TL customers are non-bypassable and are not reduced based on a
10 customer’s use of behind-the-meter generation, storage, or other customer-sited
11 resources.

12 **Q. Will payments by Schedule TL customers increase funding available for existing**
13 **public benefit programs?**

14 A. No. The Company’s response to discovery establishes that Schedule TL customers’
15 payments will not increase the funding available for most of the public benefit programs
16 supported by these charges.

17 In a discovery response, the Company stated that the funding available to the
18 programs supported by the DSMCA, TEPA, WMA, and EAP component of the S&F
19 Charge is established by the Commission and not by the amount of revenues collected
20 through those charges. The Company expressly stated that it is not proposing to modify
21 those program budgets in this proceeding, with the exception of the EAP program.⁵¹ The

⁵⁰ PSCo. Resp. to RA-SWEEP 1-15 (Attach. ASL-2 at 10–11).

⁵¹ *Id.*

1 Company proposes that incremental revenue collected from Schedule TL customers
2 through the EAP component of the S&F Charge be used to expand the EAP program
3 budget until the Commission can evaluate changes to the annual EAP budget in a future
4 rate case.

5 Thus, with the exception of EAP, Schedule TL customers' contributions do not
6 create additional funding for these public benefit programs. Rather, they may reduce the
7 amount of program costs that must be recovered from other customers without increasing
8 the total resources available to the programs.

9 **Q. How should the Commission treat the public benefit revenues collected from**
10 **Schedule TL customers?**

11 A. The Commission should use incremental contributions from large load customers to both
12 reduce the amount of public benefit program costs allocated to existing customer classes
13 and expand investment in those programs.

14 Large load growth creates an opportunity to increase the resources available to
15 advance Colorado's energy, affordability, electrification, and decarbonization objectives.
16 Simply using large load customers' contributions to offset existing program costs would
17 provide some benefit to other customers, but it would forgo an opportunity to expand
18 programs at a time when significant additional investment is needed.

19 At a minimum, payments from Schedule TL customers should reduce the amount
20 of public benefit program costs that would otherwise be recovered from other customer
21 classes. This is consistent with the Company's stated rationale that revenues from large
22 load customers will reduce costs allocated to other customers.

1 However, the Commission should also consider whether a portion of those
2 revenues should support incremental funding for public benefit programs. Large load
3 growth is occurring at a time when Colorado needs substantial additional investment in
4 energy efficiency, beneficial electrification, weatherization, and other measures that can
5 reduce customer energy costs and facilitate the state's electrification and emissions-
6 reduction obligations.

7 I therefore recommend that the Commission consider an allocation under which
8 approximately 50 percent of the incremental public benefit revenues associated with
9 Schedule TL customers reduce amounts otherwise collected from other customer classes,
10 while approximately 50 percent provides incremental funding for public benefit
11 programs.

12 This approach would ensure that existing customers receive a direct benefit from
13 large load customers' contributions, while also realizing an opportunity to expand
14 investments in programs that provide broad system and customer benefits.

15 **Q. Why should incremental public benefit funding be considered as an infrastructure-**
16 **avoidance measure for large load growth?**

17 **A.** Incremental investment in energy efficiency, demand response, building electrification,
18 weatherization, and other demand-side resources can reduce or defer investment in
19 generation and transmission infrastructure needed to serve large loads Incremental public
20 benefit funding is therefore an important component of protecting existing customers
21 from the costs and risks associated with large load additions.

22 For this reason, incremental public benefit spending should be viewed as an
23 affordability and risk management strategy, not simply a program budget expansion.

1 Derisking large load growth requires more than ensuring that large load customers pay
2 the incremental costs they impose on the system and protecting existing customers from
3 cost shifts. It also requires creating opportunities to avoid unnecessary infrastructure
4 investments in the first place. The resulting bill savings, greenhouse gas reductions, and
5 improvements in building health, comfort, and safety provide additional benefits.

6 **Q. Do you recommend an additional contribution from Schedule TL customers to**
7 **address the broader impacts of large load growth?**

8 A. Yes. I recommend that the Commission establish a Large Load System Benefits Charge
9 as an additional, non-bypassable contribution from Schedule TL customers.

10 Schedule TL's cost-allocation mechanisms can address costs that can be directly
11 identified and assigned to a large load customer and the large load customer class. But
12 rapid large load growth can also produce broader cost impacts that are difficult to
13 quantify and allocate through traditional ratemaking.

14 Large load growth can place upward pressure on the cost and availability of
15 scarce inputs—including construction labor, equipment, and materials—particularly
16 when substantial new loads are being developed concurrently.⁵² Large load growth can
17 also increase competition for scarce generation and transmission capacity and place
18 additional pressure on the energy system to develop infrastructure and resources on an
19 accelerated timeline.⁵³ These dynamics can create additional costs, including

⁵² Mario Iacobacci, *Data Centre Boom Raises Costs Across Construction Markets*, Oxford Economics June 24, 2026, <https://www.oxfordeconomics.com/resource/us-data-centre-boom-costs>.

⁵³ Owen Kay et al., *Data center boom expected to raise electricity component of PCE inflation*, Fed. Rsrv. Bank of Dallas, Mar. 5, 2026, <https://www.dallasfed.org/research/economics/2026/0305-kay-datacenters>.

1 affordability, clean energy, and community burdens, that are difficult to quantify or
2 assign to any individual large load customer.

3 The inability to precisely quantify each of these effects does not mean that the
4 effects are nonexistent. Rather, it creates a limitation for traditional cost-allocation
5 methodologies. A Large Load System Benefits Charge provides a reasonable mechanism
6 for addressing a portion of these broader impacts, while deploying resources that can
7 benefit existing customers and alleviate energy burden.

8 This approach is consistent with the reasoning adopted by the Oregon Public
9 Utility Commission (“Oregon PUC”). In Order No. 26-154 in Docket No. UM 2377, the
10 Oregon PUC found that loads of 100 MW or more impose unique burdens on the system
11 and other customers that, although difficult to quantify, are nevertheless real.⁵⁴ The
12 Oregon PUC Order No. 26-154 is included as Attachment ASL-5. In this Order, the
13 Oregon PUC specifically recognized that while the costs of serving a new load can be
14 identified with some precision, the extent to which very large loads increase costs across
15 the region by consuming scarce clean generation and transmission capacity is more
16 difficult to isolate.⁵⁵

17 The Oregon PUC therefore adopted a \$0.01 per kWh surcharge for customers
18 with 100 MW or more of allocated system capacity and directed the revenues toward
19 non-cost-effective energy efficiency, critical home repairs, and distributed energy
20 resources for low-income communities.⁵⁶ Investments in these resources can insulate

⁵⁴ Or. Pub. Util. Comm’n, Proceeding UM 2377, Order No. 26-154 at 13 (May 5, 2026),
<https://apps.puc.state.or.us/orders/2026ords/26-154.pdf>.

⁵⁵ *Id.*

⁵⁶ *Id.*

1 communities from energy cost increases related to large load additions. The Oregon PUC
2 also noted that “[r]educing energy burden serves to reduce a host of other costs, such as
3 arrearages and the cost of low-income differentiated rates, better mitigating the overall
4 cost shifting impact through these revenues.”⁵⁷

5 Minnesota provides additional precedent. In 2025, Minnesota enacted a large
6 load-specific annual fee based on peak demand of qualified large-scale data centers, with
7 revenues directed toward energy conservation, weatherization, and related activities for
8 low-income customers.⁵⁸ The annual fee is structured as a tiered fee based on peak
9 demand, ranging from \$2 million for customers with peak demand of 100 to 250 MW to
10 \$5 million for customers with peak demand of 750 MW or greater.⁵⁹

11 Pennsylvania also provides additional precedent. In May 2026, the Pennsylvania
12 Public Utility Commission (“PAPUC”) issued an order establishing a model large load
13 tariff that permits electric distribution companies to propose fees on large load customers
14 to support universal service programs, including hardship funds.⁶⁰ Unlike the Oregon
15 PUC’s volumetric surcharge, the PAPUC’s model tariff structures an annual charge based
16 on a customer’s peak demand, expressed in dollars per MW. The PAPUC determined that

⁵⁷ *Id.*

⁵⁸ Minn. Stat. § 216B.72.

⁵⁹ *Id.*

⁶⁰ Penn. Pub. Util. Comm’n, Proceeding M-2025-3054271, Final Order at 13 (May 12, 2026), <https://www.puc.pa.gov/pcdocs/1929842.pdf>; see also 52 Pa. Code § 58.2 (defining “universal service programs” to include “payment assistance, termination of service protections, energy usage reduction programs, and consumer education programs,” and identifying Low-Income Usage Reduction Program (“LIURP”), Customer Assistance Program (“CAP”), Customer Assistance and Referral Evaluation services (“CARES”), and hardship funds as the four mandatory components of a utility’s universal service and energy conservation plan (“USECP”)).

1 a charge based on peak demand would be simpler to administer and provide greater
2 predictability than a volumetric charge.⁶¹

3 These examples demonstrate that a large-load-specific surcharge or fee can
4 appropriately complement traditional cost allocation by addressing broader system
5 impacts and supporting investments that provide benefits beyond the individual large
6 load customer.

7 **Q. What Large Load System Benefits Charge do you recommend?**

8 A. I recommend a \$0.01 per kWh non-bypassable surcharge on Schedule TL customers or
9 an equivalent annual surcharge based on peak demand.

10 The Oregon PUC's adoption of a \$0.01 per kWh surcharge provides a particularly
11 relevant precedent for this approach. The Oregon PUC concluded that the charge was a
12 reasonable means of mitigating difficult-to-quantify impacts associated with very large
13 loads and helping mitigate cost shifting to residential customers.⁶²

14 **Q. What public benefit programs should receive the incremental funding generated**
15 **through the Large Load System Benefits Charge?**

16 A. The incremental funding should prioritize investments that reduce energy burdens,
17 prepare customers for electrification, and provide measurable system and customer
18 benefits. I recommend prioritizing:

- 19 ● Pre-electrification measures, including panel, wiring, and service upgrades;
- 20 ● Weatherization and energy efficiency;

⁶¹ *Id.*

⁶² Or. Pub. Util. Comm'n, Proceeding UM 2377, Order No. 26-154 at 13.

- 1 ● Heat pumps and heat pump water heaters, including replacement of inefficient
- 2 electric resistance equipment;
- 3 ● Distributed energy resources, including residential customer-sited solar and
- 4 storage; and
- 5 ● Programs servicing IQ customers⁶³ and disproportionately impacted communities
- 6 (“DIC”),⁶⁴ including communities experiencing significant impacts from large
- 7 load development.

8 These uses are consistent with the rationale underlying the Oregon surcharge,
9 which directs revenues toward energy efficiency, critical home repairs, and DERs to
10 reduce energy burdens. They are also consistent with Minnesota’s statute that dedicates
11 large-load fee revenues to energy conservation and weatherization for low-income
12 customers.

13 **Q. How should customer programs funded by the Large Load System Benefits Charge**
14 **be allocated and administered?**

15 A. I recommend that the Commission convene a multi-stakeholder steering committee to
16 develop the allocation and administrative model for customer programs supported by the
17 Large Load System Benefits Charge. A third-party implementation model holds potential
18 to advance the affordability, climate, and infrastructure deferral outcomes contemplated
19 by these funds and could provide opportunities for innovative approaches to program
20 design and delivery. However, I would not predetermine the administrative model at this
21 stage. Instead, the appropriate use and administration of the funds should be developed

⁶³ 4 Colo. Code Regs. § 723-3-3412.

⁶⁴ Colo. Rev. Stat. § 24-4-109.

1 through a robust steering committee process that considers the capabilities of the
2 Company, third-party implementers, community-based organizations, local governments,
3 and other potential administrators. The steering committee should help define the
4 objectives, eligible uses, delivery models, and oversight mechanisms for the Large Load
5 System Benefits Charge, while preserving the Commission's ultimate authority to
6 approve the resulting framework.

7 **VI. Summary and Recommendations**

8 **Q. Please summarize your recommendations to the Commission.**

9 A. I recommend that the Commission approve the Company's proposed Large Load Tariff
10 and Clean Transition Tariff with modifications described in my Answer Testimony.
11 Specifically, I recommend that the Commission:

12 **Revise the eligibility criteria for Schedule TL** to ensure that eligibility is based
13 on the customer's total system impact and is consistent with the purposes of the tariff.
14 The Commission should require the Company to demonstrate that the proposed 50 MW
15 threshold is supported by measurable differences in planning requirements, infrastructure
16 needs, or cost causation. The Commission should also establish objective aggregation
17 rules for customers with multiple interconnection points or facilities under common
18 ownership or control, ensure that phased load additions cannot be used to avoid Schedule
19 TL, and include existing customer demand when determining whether an expanding
20 customer meets the eligibility threshold. Finally, the Commission should require prior
21 Company approval of assignments to affiliates and ensure that applicable
22 creditworthiness and credit-support requirements remain in place following any transfer.

1 **Expand resource eligibility under the Clean Transition Tariff** to include new,
2 non-emitting resources that provide measurable and verifiable system and environmental
3 value, regardless of technology category or commercial maturity. Eligible resources
4 should include, as appropriate, short-duration energy storage (front-of-meter or behind-
5 the-meter), energy efficiency, weatherization, heat pumps, demand response, virtual
6 power plants, flexible loads, distributed solar, utility-scale renewable resources, and other
7 resources capable of providing incremental clean energy, clean capacity, verified load
8 reduction or flexibility, or avoided or deferred system investment. Eligibility should be
9 conditioned on additionality, and the tariff should include safeguards to prevent cost
10 shifting and double counting where CTT resources interact with existing utility-
11 administered programs or receive funding from multiple sources.

12 **Ensure that environmental attributes associated with CTT resources remain**
13 **with the large load customer(s) funding the resource.** RECs and other environmental
14 attributes should be owned and controlled by the customer that bears the incremental cost
15 of the CTT resource, unless the customer voluntarily transfers those attributes to the
16 Company. PSCo should not use CTT-generated RECs or environmental attributes to
17 satisfy its own statutory, regulatory, or compliance obligations, or sell or otherwise
18 monetize those RECs or environmental attributes, without the customer's authorization.
19 The tariff should establish transparent valuation, compensation, accounting, and
20 attribution requirements for any voluntary transfer of environmental attributes between
21 the large load customer and the Company.

22 **Require Schedule TL customers to make non-bypassable contributions to**
23 **public benefit programs and establish an additional Large Load System Benefit**

1 **Charge.** Schedule TL customers should pay applicable public benefit charges regardless
2 of their behind-the-meter generation, storage or other customer-sited resources that may
3 offset actual metered load. The Commission should use incremental public benefit
4 revenues from Schedule TL customers both to reduce amounts otherwise recovered from
5 other customer classes and to expand investment in public benefit programs. I
6 recommend, as an initial framework, allocating approximately 50 percent of those
7 incremental revenues to reducing costs allocated to other customer classes and 50 percent
8 to incremental program funding. I also recommend establishing a \$0.01/kWh non-
9 bypassable Large Load System Benefits Charge, or an equivalent surcharge based on
10 peak demand, with revenues directed toward energy efficiency, weatherization, pre-
11 electrification measures, heat pumps, distributed energy resources, and programs serving
12 income-qualified customers and disproportionately impacted communities. I recommend
13 that the Commission convene a cross-stakeholder steering committee to develop
14 recommendations regarding the administration and allocation of these funds, subject to
15 Commission approval.

16 These recommendations would advance the Commission's directive to establish a
17 framework for serving rapidly growing large loads, while better aligning Schedule TL
18 and the CTT with cost-causation principles, protecting existing customers. This ensures
19 that large load customers receive the value of the resources they fund, and advances
20 Colorado's energy affordability, electrification, and emissions-reduction objectives.

21 **Q. Does this conclude your Answer Testimony?**

22 **A. Yes.**

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

PROCEEDING NO. 26AL-0137E

IN THE MATTER OF ADVICE LETTER NO. 2018 - ELECTRIC FILED BY PUBLIC SERVICE COMPANY OF COLORADO TO REVISE COLORADO P.U.C. NO. 8 - ELECTRIC TARIFF TO ADDRESS LARGE LOADS, ADD A NEW SCHEDULE TRANSMISSION LARGE SERVICE (SCHEDULE TL) RATE, ADD A NEW CLEAN TRANSITION TARIFF (SCHEDULE CTT), AND IMPLEMENT CHANGES TO THE TRANSMISSION LINE EXTENSION POLICY, TO BECOME EFFECTIVE MAY 3, 2026.

AFFIDAVIT OF ALEXANDER SQUIRES LOPEZ

I, Alexander Squires Lopez, of proper age and duly sworn, hereby state that the attached Answer Testimony in the above-captioned proceeding was prepared by me or under my supervision and control, that my testimony is true and correct to the best of my knowledge and belief, and that my testimony would be the same if given orally under oath.

Alexander Squires Lopez
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/s/ 

August 19, 2026
Date

/s/ 

Michael Hiatt
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