

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

PROCEEDING NO. 26AL-0137E

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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.

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**Hearing Exhibit 1101**

**Answer Testimony of Courtney C. Fieldman**

On behalf of Rewiring America and Southwest Energy Efficiency Project

August 19, 2026

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**I. Background and Summary of Answer Testimony**

**Q. Please state your name, occupations, and business address.**

A. My name is Courtney Fieldman. I am Utility Program Director at the Southwest Energy Efficiency Project (“SWEEP”). My business address is 2334 Broadway Suite A, Boulder, CO 80304.

**Q. For whom are you testifying?**

A. I am testifying on behalf of SWEEP.

**Q. Please describe SWEEP.**

A. SWEEP is a regional nonprofit organization that advances energy efficiency, demand-side management, beneficial electrification, demand response, and related policies across the Southwest, including Colorado. SWEEP works to ensure that efficiency and flexibility resources are valued and deployed in ways that reduce system costs, protect customers, and support a clean, reliable, and affordable electric system.

**Q. What are your professional qualifications?**

A. I am the Utility Program Director at SWEEP, where I lead legislative and regulatory strategy on data centers and large loads across six Southwest states, including intervention in utility proceedings involving interconnection, rate design, and demand-side resource valuation. Previously I served as Building Electrification Associate at Rocky Mountain Institute, where I worked on building electrification policies in Colorado, and I also held roles at the United Nations supporting the Paris Agreement Global Stocktake. I hold a certificate from Harvard Business School in Disruptive

1 Innovation, a Master's in Climate Change Law & Policy, and a Bachelor's from  
2 Princeton University. My statement of qualifications is included as Attachment CF-1.

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

4 A. The purpose of my Answer Testimony is to evaluate the commercial architecture of  
5 Public Service Company of Colorado's ("Public Service," "PSCo," or "the Company")  
6 proposed Large Load Tariff framework, including Schedule TL, the Minimum Monthly  
7 Bill and take-or-pay structure, the treatment of flexibility and demand-side resources,  
8 residual cost-shift risk, and the Speed-to-Market pathway, and to recommend  
9 modifications that will convert large load capital and operational capability into genuine  
10 grid modernization and flexibility resources while ensuring that there is no residual cost-  
11 shift risk to other customers.

12 **Q. Please summarize your recommendations.**

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

- 15 • Require that the Minimum Monthly Bill, Exit Fee, and Capacity Reduction  
16 Payment close the residual cost-shift risk under every scenario the Schedule TL  
17 authorizes by redefining the Capacity Reduction Payment to achieve full recovery  
18 of the remaining revenue requirement of the specific assets sized to the original  
19 higher Contract Capacity (including Network Reinforcement Facilities) and by  
20 ensuring residual shortfalls cannot be shifted to residential, income-qualified, or  
21 small commercial customers.

- Adopt an explicit Flexibility Pathway under Schedule TL under which verified demand response, load shifting, behind-the-meter storage discharge, thermal storage, and virtual power plant services earn a performance credit against the Minimum Monthly Bill, and direct the Company to file within 60 days a dedicated Large Load DSM and Flexibility Program containing enablement incentives, third-party aggregator rules, additionality and ring-fencing protections, measurement and verification protocols, and annual public reporting.
- Impose Speed-to-Market guardrails through a two-track framework that provides streamlined approval for contracts adopting the residual-cost and Flexibility Pathway protections without material deviation and requires full affirmative findings plus quantified residual-cost comparison for any contract seeking weaker terms, with the same or stronger protections applied to the combination of pathways serving a customer or affiliated group.

## **II. Ratepayer Protections & Cost Shifting**

**Q. Please describe the Company’s claimed approach to protecting existing customers from cost shifts associated with large loads.**

**A.** The Company states that Schedule TL and the form Electric Service Agreement (“ESA”) will ensure that “our rate proposal will charge Large Load customers at least the full incremental cost necessary to provide them with electric service,” and that this will protect existing customers from cost shifts.<sup>1</sup> Company witness Jack Ihle describes the commercial principles—which include a minimum

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<sup>1</sup> Hr’g Ex. 103, Jeffrey Knighten Direct Test. 10:1–2 (Apr. 2, 2026).

1           monthly bill, minimum contract term, exit fees, and credit support—as tools to  
2           limit stranded-cost risk if a large load customer leaves early or if the load does not  
3           materialize at the forecasted and procured-for level.<sup>2</sup>

4           The main financial principles are:

- 5           • A Minimum Monthly Bill set at 80 percent of Contract Capacity, applied to base-  
6           rate and rate-adjustment demand charges, plus customer-specific service and  
7           facilities charges.<sup>3</sup> Billing Demand for the Generation and Transmission Demand  
8           Charge is the greater of measured demand or eighty percent (80%) of the  
9           customer's Contract Capacity as higher of measured demand or 80 percent of  
10          Contract Capacity.<sup>4</sup> The Minimum Monthly Bill is the Service and Facility  
11          Charge plus the Demand Charge calculated on that Billing Demand, plus  
12          applicable rate adjustments.<sup>5</sup>
- 13          • An Exit Fee equal to the sum of the Minimum Monthly Bills for the remaining  
14          term of the ESA. Service under Schedule TL has a minimum 15-year term  
15          (including an optional load ramp of up to five years).<sup>6</sup> A customer can terminate  
16          on 24 months' notice by paying the Exit Fee, which is calculated on the Contract  
17          Capacity then in effect.<sup>7</sup>

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<sup>2</sup> Hr'g Ex. 101, Jack Ihle Direct Test. 38:13–39:1–2 (Apr. 2, 2026).

<sup>3</sup> Hr'g Ex. 103, Knighten Direct 25:4–15.

<sup>4</sup> Hr'g Ex. 103, Attach. JRK-1 at 3.

<sup>5</sup> *Id.* at 2.

<sup>6</sup> Hr'g Ex. 101, Ihle Direct 41:4 (Tbl. JWI-D-3, Minimum Contract Term row).

<sup>7</sup> Hr'g Ex. 103, Attach. JRK-1 at 3, 5.

- The right to reduce Contract Capacity on 24 months' notice by paying a Capacity Reduction Payment.<sup>8</sup> That payment equals the difference between the Minimum Monthly Bill on the old Contract Capacity and the Minimum Monthly Bill on the new, lower Contract Capacity, multiplied by the number of months left in the term.<sup>9</sup>

Company witness Jeffrey Knighten states that the minimum bill is meant to ensure that these customers cover the fixed costs of serving them and that the exit fee is calculated as the sum of those minimum bills for the remainder of the ESA term.<sup>10</sup> In short, the Company's position is that the 80 percent floor, the Exit Fee and the Capacity Reduction Payment together close residual risk for the full life of the ESA.

**Q. Does this design close residual cost-shift risk under the scenarios the tariff authorizes?**

A. No. Both the Minimum Monthly Bill and the Exit Fee are calculated on the customer's then-current Contract Capacity—i.e., the Contract Capacity number that is in effect at the moment the bill or the Exit Fee is calculated.<sup>11</sup> The tariff allows the customer to reduce that Contract Capacity number.<sup>12</sup> When the customer reduces Contract Capacity, two things happen: the Minimum Monthly Bill is recalculated on the new, lower Contract

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<sup>8</sup> Hr'g Ex. 101, Ihle Direct 42 (Tbl. JWI-D-3, Changes in Contract Capacity row).

<sup>9</sup> Hr'g Ex. 103, Attach. JRK-1 at 4.

<sup>10</sup> Hr'g Ex. 103, Knighten Direct 25:4–15.

<sup>11</sup> Hr'g Ex. 103, Attach. JRK-1 at 2–3, 5.

<sup>12</sup> *Id.* at 4.

1 Capacity, and the Exit Fee is also recalculated on the new, lower Contract Capacity.<sup>13</sup>

2 The protections therefore reset downward with every reduction.

3 Any costs the Company has already spent or committed to serve the original  
4 higher Contract Capacity then depend entirely on the Capacity Reduction Payment.<sup>14</sup> The  
5 Company has not shown that the Capacity Reduction Payment is set to recover the full  
6 remaining cost of the assets that were sized for the original higher Contract Capacity.<sup>15</sup>  
7 The form ESA uses the same mechanics.<sup>16</sup>

8 The result is a structural pathway for residual costs to land on other customers  
9 under scenarios the tariff itself allows.

10 **Q. Please explain that pathway.**

11 A. The sequence is as follows: The customer sets a Contract Capacity and may ramp up  
12 toward a Maximum Contract Capacity. The Company sizes generation and transmission  
13 to that number and starts spending or committing money. Later, the customer can reduce  
14 the Contract Capacity on 24 months' notice and pay a Capacity Reduction Payment.  
15 Once the reduction takes effect, the Minimum Monthly Bill is recalculated based on the  
16 lower number. The Exit Fee is also recalculated based on the lower number.

17 If the Company has already committed costs to serve the higher capacity, those  
18 costs can only be recovered through the Capacity Reduction Payment. The Company has  
19 not shown that this payment equals the remaining revenue requirement of the assets sized

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<sup>13</sup> *Id.* at 2–3, 5.

<sup>14</sup> *Id.* at 4.

<sup>15</sup> *See id.*; PSCo. Resp. to RA-SWEEP 2-13, 2-14, & 2-15 (Attach. CF-2 at 1–6).

<sup>16</sup> Hr'g Ex. 101, Attach. JW1-1.



1 for the original higher capacity. Whatever is left unrecovered becomes a residual shortfall  
2 that other customers, including residential, income-qualified, and small commercial  
3 customers, will have to cover.

4 **Q. Is this limited to a single capacity reduction?**

5 A. No. The same mechanics run for the entire term of the agreement. A customer can reduce  
6 Contract Capacity more than once. Each reduction lowers the ongoing Minimum  
7 Monthly Bill and the base used to calculate any future Exit Fee. If each Capacity  
8 Reduction Payment is incomplete, residual shortfalls can stack up.

9 A customer can also reduce and then later terminate. In that case, the Exit Fee is  
10 calculated on the already-reduced capacity. Costs tied to the original higher capacity are  
11 never fully recovered through the Minimum Monthly Bill or the Exit Fee; they depend  
12 again on whether the earlier Capacity Reduction Payment was adequate.

13 During the ramp period itself, load can stay below Maximum Contract Capacity  
14 for up to five years while the Company is already planning and committing resources to  
15 the maximum. If the customer never reaches the maximum, or reaches it only briefly  
16 before reducing capacity, residual risk appears early in the term.

17 In each of these situations, the financial protections are allowed to reset  
18 downward after PSCo has already committed costs. That is how residual costs can shift to  
19 other customers under the tariff as filed.

20

1   **Q.     How does the capacity reduction payment interact with the exit fee and the**  
2       **minimum monthly bill over the term of the agreement?**

3   A.     The three instruments are tied together and are all calculated using the customer's then-  
4       current Contract Capacity.<sup>17</sup> When a customer reduces Contract Capacity mid-term, the  
5       customer pays a Capacity Reduction Payment equal to the difference between (a) the  
6       Minimum Monthly Bill calculated on the pre-reduction Contract Capacity and (b) the  
7       Minimum Monthly Bill calculated on the post-reduction Contract Capacity, multiplied by  
8       the number of months remaining in the term.<sup>18</sup> After that reduction takes effect, the  
9       Minimum Monthly Bill itself is recalculated on the new, lower Contract Capacity.<sup>19</sup> If the  
10      customer later terminates, the Exit Fee is calculated as the sum of the Minimum Monthly  
11      Bills for the remaining months, using the already-reduced Contract Capacity.<sup>20</sup>

12           The net effect is that the total amount the customer can be required to pay over the  
13      life of the ESA shrinks with every permitted reduction. The customer can lock in a high  
14      Contract Capacity, drive planning and infrastructure investment on that basis, and later  
15      reduce the commitment while paying only the rate-based difference in Minimum  
16      Monthly Bills. The Company has not shown that this payment stream equals the  
17      remaining revenue requirement of the assets that were sized to the original higher  
18      Contract Capacity.<sup>21</sup>

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<sup>17</sup> Hr'g Ex. 103, Attach. JRK-1 at 2–5.

<sup>18</sup> *Id.* at 4.

<sup>19</sup> *Id.* at 2–3.

<sup>20</sup> *Id.* at 5.

<sup>21</sup> *See id.* at 4; PSCo. Resp. to RA-SWEEP 2-13, 2-14, & 2-15 (Attach. CF-2 at 1–6) (PSCo identified the Capacity Reduction Payment formula in Exhibit A of the ESA but did not quantify,

1   **Q.     Does the residual shortfall under a permitted mid-term reduction appear only in the**  
2       **L3A scenario, or is it structural across PSCo’s own transmission study cases?**

3   **A.**     It is structural. Hearing Exhibit 103, Attachment JRK-2 shows Transmission Network  
4       Reinforcement costs and the related standard transmission revenue under four scenarios  
5       the Company itself modeled.<sup>22</sup>

6             The Capacity Reduction Payment recovers only the difference in Minimum  
7       Monthly Bills for the months that remain after a reduction. It does not recover the  
8       continuing Network Reinforcement annual revenue requirement. That structural feature is  
9       present under every scenario in Hearing Exhibit 103, Attachment JRK-2.

10            The Company’s own L3A figures show the scale of the exposure. At full 2,000  
11       MW Contract Capacity, the Network Reinforcement annual revenue requirement is  
12       approximately \$124 million and standard transmission revenues are approximately \$95  
13       million, which is already a shortfall of roughly \$29 million before any reduction.<sup>23</sup> After  
14       a customer exercises the tariff’s mid-term reduction right, that customer’s ongoing  
15       contribution declines, while the revenue requirement of the facilities that were already  
16       committed continues. The residual therefore grows. The precise post-reduction dollar  
17       amount depends on assumptions about how revenues decline; the structural failure does  
18       not. The Capacity Reduction Payment never recovers the continuing Network  
19       Reinforcement revenue requirement.

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and no party has shown, that the resulting payment equals the remaining Network Reinforcement revenue requirement after a mid-term reduction).

<sup>22</sup> Hr’g Ex. 103, Attach. JRK-2 (Large Load Incremental Cost Study – Transmission, lines 10–13 & 18–21).

<sup>23</sup> *Id.* (Large Load Incremental Cost Study – Transmission, lines 11, 19).

1           The same mechanics appear in the Company's other cases. A full capacity surplus  
2           can be eroded or turned into a residual shortfall once Contract Capacity is reduced. The  
3           residual pathway is not limited to one extreme scenario. It is produced by the interaction  
4           of the tariff's capacity reduction right with the revenue requirement of already-committed  
5           Network Reinforcement.<sup>24</sup>

6   **Q.    Can you illustrate the residual under capacity reduction permitted by the tariff?**

7   A.    Yes. Using only the Company's L3A figures, at full 2,000 MW the Network  
8           Reinforcement annual revenue requirement is about \$124 million and standard  
9           transmission revenues are about \$95 million.<sup>25</sup> That is already a shortfall of roughly \$29  
10          million.

11           If the customer later reduces Contract Capacity under the tariff, the Capacity  
12          Reduction Payment recovers only the difference in Minimum Monthly Bills for the  
13          remaining months.<sup>26</sup> It does not recover the continuing Network Reinforcement revenue  
14          requirement of the facilities that have already been committed or energized. The  
15          customer's ongoing contribution declines; the revenue requirement of those facilities  
16          does not. The residual shortfall therefore grows and must be covered by other customers  
17          unless other load fully absorbs the capacity.

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<sup>24</sup> See *id.*

<sup>25</sup> Hr'g Ex. 103, Attach. JRK-2 (Large Load Incremental Cost Study – Transmission, lines 11, 19).

<sup>26</sup> Hr'g Ex. 103, Attach. JRK-1 at 4.

1           This illustration uses only the Company's own numbers and the relationship that  
2           follows from Billing Demand being keyed to Contract Capacity.<sup>27</sup> The Company has not  
3           produced a contrary residual shortfall analysis under this or similar scenarios.<sup>28</sup>

4   **Q.   Are there other scenarios under which the tariff leaves residual risk open?**

5   A.   Yes. There are three additional scenarios that follow directly from the same mechanics.  
6           First, the customer may never reach the full Contract Capacity. Schedule TL and the form  
7           ESA allow a multi-year load ramp, with Contract Capacity set at the ultimate Maximum  
8           Contract Capacity.<sup>29</sup> The Company may plan and commit Network Reinforcement based  
9           on that Maximum. If the customer never reaches the full amount, two things can happen.  
10          The Company may already have sized or committed Network Reinforcement for a load  
11          level that never fully appears. And if the customer later reduces Contract Capacity, or if  
12          credit support is adjusted downward because the load never materialized, the Minimum  
13          Monthly Bill, the Exit Fee, and the security requirement are all recalculated on the lower  
14          Contract Capacity.<sup>30</sup>

15          Therefore, the cost of the Network Reinforcement that was sized for the higher  
16          Maximum does not get recalculated downward with them. The Capacity Reduction  
17          Payment, if one is paid, recovers only the difference in Minimum Monthly Bills for the  
18          remaining months; it does not recover the remaining revenue requirement of the facilities

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<sup>27</sup> See *id.* at 3.

<sup>28</sup> See *id.* at 4; PSCo. Resp. to RA-SWEEP 2-13, 2-14, & 2-15 (Attach. CF-2 at 1–6).

<sup>29</sup> Hr'g Ex. 103, Attach. JRK-1; Hr'g Ex. 101, Attach. JWI-1 at 2–3 (Customer Load Ramp, Maximum Contract Capacity).

<sup>30</sup> Hr'g Ex. 103, Attach. JRK-1 at 2–5.

1 already sized or committed for the higher capacity.<sup>31</sup> That is how residual risk stays open:  
2 the Company has committed capital based on a higher Contract Capacity, but the tariff's  
3 protective instruments are allowed to reset to a lower Contract Capacity. The unrecovered  
4 cost of those facilities then falls on other customers. In discovery, Rewiring America and  
5 SWEEP asked the Company to explain how it would treat a customer that never reaches  
6 full Contract Capacity, including the effects on the Minimum Monthly Bill, Exit Fee,  
7 security, and Capacity Reduction Payment. No quantified treatment of that fact pattern  
8 was tested.<sup>32</sup>

9 Second, the customer may reduce Contract Capacity after Network Reinforcement  
10 Facilities are already in service. Once those facilities are energized, the 24-month notice  
11 period for a capacity reduction cannot undo the capital investment.<sup>33</sup> The Capacity  
12 Reduction Payment recovers only the difference in Minimum Monthly Bills for the  
13 remaining months.<sup>34</sup> It does not recover the continuing revenue requirement of the  
14 facilities that are already in service and creates residual risk.

15 Third, the customer may reduce Contract Capacity more than once or reduce and  
16 then later terminate. Each reduction resets the Minimum Monthly Bill and the base used  
17 to calculate any future Exit Fee.<sup>35</sup> If the customer reduces and then terminates, the Exit  
18 Fee is calculated on the already-reduced Contract Capacity.<sup>36</sup> Costs incurred to serve the

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<sup>31</sup> Hr'g Ex. 103, Attach. JRK-1 at 4.

<sup>32</sup> PSCo. Resp. to RA-SWEEP 2-15(d) (Attach. CF-2 at 5–6).

<sup>33</sup> Hr'g Ex. 103, Attach. JRK-1 at 4 (24 months' written notice to decrease Contract Capacity).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 5.

<sup>36</sup> *Id.* (Exit Fee calculated using the Contract Capacity then in effect).

1 original higher Contract Capacity become residual unless the Capacity Reduction  
2 Payment equals the full remaining revenue requirement of the specific assets that were  
3 sized to that higher capacity. The Company has not shown that equivalence in its Direct  
4 Testimony.<sup>37</sup>

5 **Q. Does the tariff's treatment of behind-the-meter generation create an additional**  
6 **pathway for customers to avoid schedule TL obligations entirely?**

7 A. Yes, it can. The form ESA defines "Contract Capacity" as "the monthly capacity as  
8 measured in MW as established in Exhibit C of this Agreement."<sup>38</sup> Neither the form ESA  
9 nor Schedule TL states whether that measurement is taken at the point of interconnection  
10 (net of behind-the-meter generation) or on the customer's gross load before any on-site  
11 offset.<sup>39</sup>

12 That difference is important, as a customer with a 65 MW facility that installs 20  
13 MW of behind-the-meter generation could show measured demand at the point of  
14 interconnection below the 50 MW eligibility threshold, while the underlying facility and  
15 the Company's obligation to serve it as backup still reflect a 65 MW load. The same gap  
16 can also understate Contract Capacity and therefore the Minimum Monthly Bill, Exit Fee,  
17 and Capacity Reduction Payment for a customer that does qualify for Schedule TL.

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<sup>37</sup> See *id.* at 4; PSCo. Resp. to RA-SWEEP 2-13, 2-14, & 2-15 (Attach. CF-2 at 1–6).

<sup>38</sup> Hr'g Ex. 101, Attach. JWI-1 at 15.

<sup>39</sup> See, e.g., Hr'g Ex. 103, Attach. JRK-1 at 1.

1 **Q. Has the Company clarified whether Contract Capacity or the 50 MW eligibility**  
2 **threshold is measured gross or net of behind-the-meter generation?**

3 A. No. The ESA defines “Contract Capacity” only as “the monthly capacity as measured in  
4 MW as established in Exhibit C . . . .”<sup>40</sup> And Schedule TL’s eligibility threshold is  
5 defined only as new demand of 50 MW or greater.<sup>41</sup> Neither definition specifies whether  
6 that measurement is taken gross or net of behind-the-meter generation.

7 **Q. What modification do you recommend to close this gap?**

8 A. I recommend that the Commission require Schedule TL and the form ESA to define  
9 Contract Capacity and the 50 MW eligibility threshold by reference to the customer’s  
10 gross load, that is, the customer’s full demand before any behind-the-meter generation is  
11 netted off, or, equivalently, by adding the nameplate capacity of behind-the-meter  
12 generation back to measured net demand.

13 Without that definition, a customer can install behind-the-meter generation, lower  
14 the demand measured at the point of interconnection, and either fall below the 50 MW  
15 threshold and avoid Schedule TL, or qualify for Schedule TL but understate Contract  
16 Capacity. Understating Contract Capacity understates the Minimum Monthly Bill, the  
17 Exit Fee, and the Capacity Reduction Payment, while the Company may still be planning  
18 and sizing infrastructure to the full underlying load. Defining Contract Capacity and the  
19 eligibility threshold on a gross-load basis closes that gap.

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<sup>40</sup> Hr’g Ex. 101, Attach. JWI-1 at 15.

<sup>41</sup> Hr’g Ex. 103, Attach. JRK-1 at 1.



1           This is a narrower point than the aggregation and phased-load reforms that  
2           Rewiring America and SWEEP witness Alexander Lopez recommends in his Answer  
3           Testimony. His proposals would prevent a customer from structuring around Schedule  
4           TL through facility design or multi-point interconnection. This recommendation here  
5           prevents a customer from structuring around Schedule TL, or understating Contract  
6           Capacity after qualifying, through behind-the-meter generation. Both modifications to  
7           PSCo's proposal are needed to ensure no residual cost shifting.

8   **Q.   Should the Company's definition of "Contract Capacity" and its treatment of**  
9   **behind-the-meter generation be clarified to prevent cost-shifting and perverse**  
10   **incentives?**

11   A.   Yes, on two related points. First, the gross-load definition of Contract Capacity that I  
12       recommend above should explicitly include the nameplate capacity of any diesel, gas, or  
13       other fossil-fueled backup generation installed behind the meter. Company witness  
14       Michael Pascucci confirms that "[s]ome large load customers have a desire for onsite  
15       backup generation."<sup>42</sup> Without an explicit gross-load rule, a customer could size its grid-  
16       connected Contract Capacity below its true peak draw by relying on backup generation to  
17       cover peak periods, understating the cost causation on which Schedule TL's Minimum  
18       Monthly Bill depends. Second, and for the identical reason in reverse, fossil-fueled self-  
19       generation must be expressly excluded from qualifying as "verified flexibility" under the  
20       Flexibility Pathway's performance-credit mechanism. A customer should not be able to  
21       earn a bill credit for "flexing" load off the grid by running a diesel generator, as that

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<sup>42</sup> Hr'g Ex. 102, Michael Pascucci Direct Test. 22:9 (Apr. 2, 2026).

1 outcome shifts emissions costs onto other ratepayers while crediting the very customer  
2 causing them. In my opinion, Contract Capacity and flexibility credits should track a  
3 customer's true system impact.

4 **Q. How does the residual pathway relate to the rate base risk-shifting dynamic the**  
5 **Commission already identified in Decision No. C25-0747?**

6 A. In its Phase I decision regarding PSCo's Just Transition Solicitation, the Commission  
7 stated that under the Company's direct case, "ratepayer funds would be used to procure  
8 massive amounts of new generation to serve new large loads like data centers before such  
9 loads sign an ESA or IA or agree to any of the customer protections within the  
10 commercial principles."<sup>43</sup> The Commission also noted that the Company "stated it is  
11 unwilling to share the financial risk of the large loads ultimately not materializing," and it  
12 found compelling the warnings against placing that risk on existing Colorado  
13 customers.<sup>44</sup>

14 The residual pathway under Schedule TL leaves other customers exposed to a  
15 related form of that risk. The Company can plan and commit Network Reinforcement and  
16 generation based on a customer's Contract Capacity. If the customer later reduces  
17 Contract Capacity, the Minimum Monthly Bill and Exit Fee reset downward, and the  
18 Capacity Reduction Payment recovers only the difference in Minimum Monthly Bills, not  
19 the remaining revenue requirement of the assets already committed.<sup>45</sup>

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<sup>43</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 27 ¶ 62 (Nov. 6, 2025).

<sup>44</sup> *Id.*

<sup>45</sup> Hr'g Ex. 103, Attach. JRK-1 at 2-5.

1 **Q. Does the transmission incremental-cost test described by Mr. Knighten close the**  
2 **residual pathway?**

3 A. No. The transmission incremental-cost test compares the annual revenue requirement of  
4 identified incremental transmission assets with standard cost allocation. It is intended to  
5 ensure that Schedule TL revenues match or exceed incremental transmission costs.<sup>46</sup> The  
6 test operates on the class or the customer at the time rates are set. It can support a  
7 surcharge or margin adjustment in future rate proceedings. It cannot claw back the  
8 specific dollars already sunk into Network Reinforcement Facilities that were sized for a  
9 Contract Capacity that has since been reduced.

10 Once those facilities are energized, the capital is in rate base or otherwise  
11 committed. The Transmission Line Extension Policy provides that there shall be no  
12 refund for Network Reinforcement Facilities.<sup>47</sup> A later class-level true-up can change the  
13 demand charge that future Schedule TL customers pay. It cannot reach back and collect  
14 from a customer that has already reduced Contract Capacity (or terminated) the  
15 remaining revenue requirement of the specific assets that were sized to that customer's  
16 original higher Contract Capacity. The Capacity Reduction Payment and Exit Fee,  
17 because they are keyed to then-current Contract Capacity, do not perform that asset-  
18 specific recovery function either.

19 **Q. Has the Company produced quantified residual shortfall or bill-impact analyses**  
20 **under the scenarios the tariff permits?**

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<sup>46</sup> Hr'g Ex. 103, Knighten Direct 16:17–19:20, 27:1–31:3.

<sup>47</sup> Hr'g Ex. 102, Attach. MVP-2 at 5.

1 A. No. In discovery, Rewiring America and SWEEP asked PSCo to identify the  
2 circumstances when Transmission Network Reinforcement costs could be recovered from  
3 other customers, to explain how security and the Capacity Reduction Payment adjust  
4 upon reduction or failure to reach Maximum Contract Capacity, and to describe treatment  
5 of a customer that never reaches full Contract Capacity.<sup>48</sup> The Company did not produce  
6 quantified residual revenue-requirement shortfall analyses under capacity-reduction,  
7 sequential-reduction, early-termination after reduction, ramp-and-never-reach, or credit-  
8 stress scenarios. It has not produced annual or net-present-value bill-impact analyses for  
9 residential, income-qualified, or small commercial customers under those scenarios.

10 Any residual shortfall that remains after application of the Minimum Monthly  
11 Bill, Exit Fee, and Capacity Reduction Payment falls on other customers. Those residual  
12 costs fall hardest on residential, income-qualified, and small commercial customers, the  
13 customers least able to absorb them. The Company's failure to produce the requested bill-  
14 impact analyses leaves that distributional risk unexamined.

15 **Q. How does the Company's planning assumption regarding load flexibility affect**  
16 **residual risk?**

17 A. The EnCompass scenarios supporting the L2A and L3 incremental cost estimates assume  
18 little or no demand-side participation by large-load customers. The Direct Testimony  
19 contains no sensitivities testing meaningful levels of large load energy efficiency,  
20 demand response, virtual power plants, or behind-the-meter storage.<sup>49</sup>

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<sup>48</sup> PSCo. Resp. to RA-SWEEP 2-13, 2-14, & 2-15 (Attach. CF-2 at 1–6).

<sup>49</sup> See PSCo. Resp. to RA-SWEEP 2-1, 2-2, & 2-3 (Attach. CF-2 at 7–12).

1 Under that zero-flexibility assumption, the Company plans and commits  
2 generation and transmission capacity for the full Contract Capacity. The rate design then  
3 recovers on an 80 percent take-or-pay floor with no performance credit for verified  
4 flexibility. The rational commercial response of a Schedule TL customer is to treat any  
5 flexibility capability as a private operational asset, rather than a system resource. The  
6 result is that the incremental costs that must be recovered are higher than they would be  
7 under a design that creates a commercial incentive for verified flexibility, while the  
8 protective instruments remain calibrated only to the Contract Capacity floor.

9 Residual risk is therefore larger, not smaller, under the Company's own planning  
10 premise. In my opinion, that planning assumption is also inconsistent with the  
11 Commission's Phase I Just Transition decision, which directed that the large load  
12 framework account for actual incremental costs and benefits, including differences in  
13 load flexibility during critical peak periods.<sup>50</sup>

14 **Q. How does this interact with the eligibility and aggregation issues addressed by Mr.**  
15 **Lopez?**

16 A. The residual-cost instruments apply only to customers that take service under Schedule  
17 TL. Mr. Lopez shows that the proposed 50 MW single-premise threshold is not supported  
18 by engineering, planning, or cost-causation analysis, and that evaluating each  
19 interconnection independently creates opportunities for customers to structure around  
20 Schedule TL without reducing the actual system costs they impose. Schedule TL and the  
21 form ESA contain no language that ties the strength or duration of the Minimum Monthly

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<sup>50</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 33–35 ¶¶ 73–76, 37–39 ¶¶ 82–85.

1 Bill, Exit Fee, or Capacity Reduction Payment to objective aggregation rules, common-  
2 ownership or common-control tests, cumulative load growth, or multi-point  
3 interconnection configurations. Residual-risk exposure is therefore not coordinated with  
4 the eligibility rules that determine which loads are subject to the protective instruments.

5 **Q. Does the residual pathway also open through the collateral and security mechanics?**

6 A. Yes. In discovery, Rewiring America and SWEEP specifically requested quantified  
7 treatment of how security, parent guaranty, and collateral adjust upon a reduction in  
8 Contract Capacity or failure to reach Maximum Contract Capacity. The Company has not  
9 produced that quantification.<sup>51</sup> If credit support is resized downward after Network  
10 Reinforcement Facilities have already been committed or energized, the protective  
11 instruments again reset while the capital investment remains. That is an additional  
12 residual pathway created by the interaction of the capacity-reduction right and the  
13 security mechanics.

14 **Q. Does the Virginia State Corporation Commission's decision in Case No. PUR-2026-**  
15 **00056 confirm that a resetting minimum leaves residual risk open?**

16 A. Yes. The Virginia State Corporation Commission recently confronted the exact problem  
17 that exists under Schedule TL: large-load customers can cause expensive transmission  
18 facilities to be built, later reduce their contracted demand, and leave the cost of those  
19 facilities on the system for ratepayers. On July 31, 2026, the Virginia Commission issued  
20 an order directing Dominion Energy Virginia to file, within 90 days, proposed  
21 amendments to its line-extension policy requiring a mandatory contribution-in-aid-of-

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<sup>51</sup> See PSCo. Resp. to RA-SWEEP 2-14 (Attach. CF-2 at 3-4).

1 construction (CIAC), on a net-of-revenue basis, for defined “direct connect” transmission  
2 facilities that would not have been necessary absent the large-load customer.<sup>52</sup> In doing  
3 so, the Virginia Commission credited testimony stating that a “CIAC would completely  
4 eliminate all risk [of stranded costs] going forward,” and it found that approach superior  
5 to reliance on collateral requirements alone.<sup>53</sup> The Order retained the existing 12-CP  
6 class cost allocation methodology for Rider T1, rather than adopting large-load direct  
7 assignment in this proceeding.<sup>54</sup> Separately, in Dominion’s 2025 biennial review, the  
8 Virginia Commission created the GS-5 large-load rate class and required a minimum  
9 demand charge of 85 percent of contracted transmission and distribution demand and 60  
10 percent of contracted generation demand.<sup>55</sup> Dominion’s original Rider T1 filing in Case  
11 No. PUR-2026-00056 would have added \$2.90 to a typical residential customer’s  
12 monthly bill; the Commission’s final order approved a lower increase, adding  
13 approximately \$0.94 per month for that same customer.<sup>56</sup>

14 Virginia’s approach requires upfront recovery of the transmission facilities  
15 actually built to serve a large-load customer. PSCo’s proposed Schedule TL relies on a  
16 Minimum Monthly Bill, Exit Fee, and Capacity Reduction Payment calculated on then-

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<sup>52</sup> Va. Corp. Comm’n, Case No. PUR-2026-00056, Final Order at 11, 16 (July 31, 2026),  
<https://www.scc.virginia.gov/docketsearch/DOCS/8dt001!.PDF>.

<sup>53</sup> *Id.* at 12 & n.53.

<sup>54</sup> *Id.* at 6–7.

<sup>55</sup> Va. Corp. Comm’n, Case No. PUR-2025-00058, Final Order at 23–27 (Nov. 25, 2025),  
<https://www.scc.virginia.gov/docketsearch/DOCS/89g601!.PDF>.

<sup>56</sup> Va. Corp. Comm’n, Case No. PUR-2026-00056, Final Order at 7.

1 current Contract Capacity.<sup>57</sup> Those instruments can reset downward if Contract Capacity  
2 is reduced, while the cost of Network Reinforcement already committed does not.

3 **Q. What modifications do you recommend to close residual cost-shift risk under the**  
4 **scenarios the tariff authorizes?**

5 A. I recommend two modifications:

6 First, the Capacity Reduction Payment should be redefined so that it recovers the  
7 full remaining revenue requirement of the specific assets sized to the original higher  
8 Contract Capacity, including Transmission Network Reinforcement Facilities already  
9 committed or energized. A rate-based difference in Minimum Monthly Bills is not  
10 equivalent to that remaining revenue requirement; the payment must be calculated on an  
11 NPV-of-committed-cost basis.

12 Second, the Commission should require that any residual shortfall that remains  
13 after application of the Minimum Monthly Bill, Exit Fee, and redefined Capacity  
14 Reduction Payment cannot be recovered from residential, income-qualified, or small  
15 commercial customers. These modifications close the residual pathway under every  
16 scenario the tariff itself authorizes—mid-term reduction, partial ramp, sequential  
17 reduction, reduction after Network Reinforcement is in service, reduction followed by  
18 termination, and downward adjustment of collateral after facilities are committed.

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<sup>57</sup> Hr'g Ex. 103, Attach. JRK-1 at 2–5.



1 **Q. What is your overall conclusion regarding this first element of the residual cost-shift**  
2 **analysis?**

3 A. In my opinion, the protective instruments the Company relies on, i.e., the 80 percent  
4 Minimum Monthly Bill, the Exit Fee, and the Capacity Reduction Payment, leave  
5 residual cost-shift risk open under the scenarios Schedule TL itself permits. Transmission  
6 and Network Reinforcement costs remain exposed when Contract Capacity is reduced  
7 after facilities have already been committed. That residual pathway is created by the plain  
8 text of Schedule TL and the form ESA.

9 In the Phase I Just Transition Decision, the Commission directed PSCo to protect  
10 existing customers from speculative load and directed that the large-load framework  
11 account for actual incremental costs and benefits.<sup>58</sup> In my opinion, the residual pathway  
12 under Schedule TL as filed leaves other customers exposed to the kind of downside risk  
13 those directives were concerned with. The record does not demonstrate that residual cost-  
14 shift risk is closed under capacity reduction, partial ramp, sequential reduction, reduction  
15 after Network Reinforcement is in service, reduction followed by termination, or  
16 downward adjustment of collateral.

17 **III. Load Flexibility and the Minimum Monthly Bill**

18 **Q. Please summarize the Company's claimed treatment of load flexibility under**  
19 **Schedule TL.**

20 A. The Company states that it will "encourage" large-load customers to provide flexibility.  
21 For example, Mr. Ihle states:

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<sup>58</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 33–35 ¶¶ 73–76, 37–39 ¶¶ 82–85.

1           The Company will encourage all new large load customers to  
2           provide load flexibility, including 80-100 hours of interruptible load shed  
3           during the year. The Company may consider future filings to adapt its  
4           interruptible rate program for new large customers as the Company gains  
5           more experience transacting with large load customers during the interim  
6           period. Public Service will market its voluntary renewable and DSM  
7           programs to all new large load customers.<sup>59</sup>

8           Mr. Pascucci states that Schedule TL customers “are not limited to participation  
9           in ISOC” and could participate in other demand-response programs.<sup>60</sup> The Company  
10          does not propose an automatic or streamlined pathway that links verified flexibility  
11          performance to a reduction in the Minimum Monthly Bill. It does not address aggregation  
12          or third-party virtual power plant participation as part of Schedule TL. It does not  
13          propose enablement incentives, technology qualification standards, measurement-and-  
14          verification protocols, or settlement rules for large load flexibility. The Company’s  
15          position is that existing programs are sufficient and that the Commission’s direction to  
16          encourage flexibility is thereby satisfied.

17          Therefore, Schedule TL and the form ESA do not contain a provision that requires  
18          a customer to provide flexibility, that credits verified flexibility performance against the  
19          Minimum Monthly Bill, or that otherwise links delivery of grid value to any reduction in  
20          the customer’s take-or-pay obligation.

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<sup>59</sup> Hr’g Ex. 101, Ihle Direct 43 (Tbl. JWI-D-3, Load Flexibility/Renewable Programs row).

<sup>60</sup> Hr’g Ex. 102, Pascucci Direct 28:3.

1   **Q.     What did the Commission direct regarding load flexibility in the Phase I Just**  
2       **Transition decision?**

3   A.     The Commission directed that the new large load tariff “reflect[] the actual incremental  
4       costs and benefits of serving these new loads in ways that account for differences in load  
5       flexibility during critical peak demand periods and locational impact.”<sup>61</sup> The Commission  
6       further stated that it “is concerned that the existing demand response or interruptible  
7       service approaches will not provide proper incentives” for loads of this magnitude and  
8       therefore directed the Company to “comprehensively explore the options in the advice  
9       letter filing.”<sup>62</sup> At a minimum, the Commission required that “Public Service shall  
10      address load flexibility in the new large load tariff filing,” noting that “[l]oad flexibility  
11      could also be critical in advancing the possibility of a Clean Transition Tariff.”<sup>63</sup>

12           The Commission’s direction was therefore twofold: (1) the tariff itself must  
13      account for differences in load flexibility in the calculation of incremental costs and  
14      benefits, and (2) existing interruptible and demand-response approaches are unlikely to  
15      provide proper incentives for loads of this size, so the advice letter filing must  
16      comprehensively explore alternatives. In my opinion, the Company’s filing does not  
17      implement either element.

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<sup>61</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 37 ¶ 81.

<sup>62</sup> *Id.* at 38 ¶ 82.

<sup>63</sup> *Id.* at 257 ¶ 657.

1   **Q.     Does the Company’s “encourage” and “can participate” treatment create a residual**  
2   **failure mode relative to Decision No. C25-0747?**

3   A.     “Encourage” and “can participate” do not change the economics of the 80 percent take-  
4     or-pay structure.<sup>64</sup> Under Schedule TL, Billing Demand for the Generation and  
5     Transmission Demand Charge is the greater of measured demand or 80 percent of  
6     Contract Capacity. The Minimum Monthly Bill is calculated on that Billing Demand. A  
7     customer that reduces load during critical hours, discharges behind-the-meter storage, or  
8     delivers virtual power plant services still pays the Minimum Monthly Bill on 80 percent  
9     of Contract Capacity. The bill does not decline when the customer delivers system value.

10           Because the Minimum Monthly Bill does not decline when the customer delivers  
11     verified system value, the rate design itself creates no financial incentive for a customer  
12     to provide flexibility timed to grid needs. Existing ISOC and system-wide demand-  
13     response programs remain available on an optional basis, but those programs do not alter  
14     the calculation of Billing Demand or reduce the Minimum Monthly Bill obligation. The  
15     Commission’s Phase I Just Transition decision found that existing demand-response and  
16     interruptible approaches are unlikely to provide proper incentives for loads of this  
17     magnitude and directed the Company to comprehensively explore options in this filing.  
18     The design as filed leaves the economics of the 80 percent take-or-pay structure  
19     unchanged.

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<sup>64</sup> See Hr’g Ex. 103, Attachment JRK-1 at 2–3.

1   **Q.    Has the Company proposed any mechanism that credits verified flexibility against**  
2       **the minimum monthly bill?**

3    A.    No. Rewiring America and SWEEP asked PSCo in discovery to describe any mechanism  
4       by which a Schedule TL customer's participation in virtual power plant, demand  
5       response, behind-the-meter storage discharge, or other load flexibility programs will be  
6       measured, verified, settled, and credited against the Minimum Monthly Bill, and, if none  
7       is proposed, to explain how Large Load customers will have a meaningful financial  
8       incentive to provide grid flexibility and VPP services. The Company has not identified  
9       such a mechanism.<sup>65</sup> Schedule TL and the form ESA contain no provision that reduces  
10      the Minimum Monthly Bill when the customer delivers verified system value, and no  
11      provision that reduces Contract Capacity or exit-fee exposure on the basis of verified  
12      demand response, storage discharge, or VPP services.

13           Without a bankable credit, there is no meaningful financial incentive under the  
14      proposed tariff for a Schedule TL customer to provide grid flexibility or VPP services.  
15      The commercial architecture remains a pure take-or-pay structure with an optional, non-  
16      credited overlay of existing programs that the Commission already found are unlikely to  
17      provide proper incentives for loads of this magnitude. In my opinion, the design as filed  
18      therefore fails to implement the Commission's Phase I Just Transition decision.

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<sup>65</sup> See PSCo. Resp. to RA-SWEEP 2-3 (Attach. CF-2 at 11–12).

1   **Q.     How does this failure mode interact with the residual cost-shift risk demonstrated in**  
2       **the prior section?**

3   A.     The residual cost-shift pathway is larger under the Company's zero large-load flexibility  
4       planning assumption. The EnCompass scenarios used to support the L2A and L3  
5       incremental cost estimates assume little or no demand-side participation by large-load  
6       customers. In discovery, Rewiring America and SWEEP asked PSCo to produce all  
7       sensitivities testing higher or lower levels of energy efficiency, demand response, virtual  
8       power plants, behind-the-meter generation or storage, and to confirm whether the  
9       modeling assumed zero or de minimis large-load demand-side resources. No such  
10      sensitivities appear in PSCo's Direct Testimony.<sup>66</sup>

11           Under that zero-flexibility assumption the Company plans and commits  
12      generation and transmission capacity for the full Contract Capacity. Attachment JRK-2  
13      quantifies the resulting exposure. Under the L3A scenario (Data Center Row, 2,000  
14      MW), the estimated Transmission Network Reinforcement cost is \$1.24 billion and  
15      estimated annual revenue requirement is \$124 million.<sup>67</sup> Standard transmission revenues  
16      at full demand are \$95 million, producing a shortfall of approximately \$29 million even  
17      before any capacity reduction.<sup>68</sup> When Contract Capacity is later reduced by 40 percent  
18      mid-term, the residual annual shortfall expands to approximately \$67 million because the  
19      Capacity Reduction Payment recovers only the rate-based difference in Minimum

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<sup>66</sup> See PSCo. Resp. to RA-SWEEP 2-1, 2-2, & 2-3 (Attach. CF-2 at 7–12).

<sup>67</sup> Hr'g Ex. 103, Attach. JRK-2 at 1 (Large Load Incremental Cost Study – Transmission, line 11).

<sup>68</sup> *Id.* (Large Load Incremental Cost Study – Transmission, line 19).

1 Monthly Bills and does not recover the continuing revenue requirement of already-  
2 committed or energized Network Reinforcement Facilities.

3 The residual-cost failure and the flexibility failure are therefore linked. The same  
4 design that leaves residual cost-shift pathways open also fails to create the commercial  
5 reason to reduce the very costs that drive residual risk. A rate design that creates a  
6 bankable incentive for verified flexibility reduces the magnitude of committed generation  
7 and transmission investment and thereby shrinks residual exposure for residential,  
8 income-qualified, and small commercial customers. The design as filed does the opposite.

9 **Q. What modification do you recommend to the minimum monthly bill structure to**  
10 **create a commercial incentive for verified flexibility?**

11 A. I recommend that Schedule TL include an explicit Flexibility Pathway under which  
12 verified demand response, load shifting, behind-the-meter storage discharge, thermal  
13 storage, and virtual power plant services earn a bankable performance credit against the  
14 Minimum Monthly Bill. The Minimum Monthly Bill itself should remain as a cost-  
15 recovery floor. The performance credit operates against that floor. The structure  
16 continues to protect against under recovery of fixed costs while creating a commercial  
17 reason to deliver system value during the hours when the system needs it.

18 The credit must be bankable: it must appear on the customer's Schedule TL bill  
19 on a predictable cadence, calculated under published measurement-and-verification  
20 protocols, so that a sophisticated large load customer can underwrite investment in  
21 controls, storage, and operational flexibility against a known reduction in its take-or-pay

1 obligation. A credit that is discretionary, opaque, or settled outside the Schedule TL bill  
2 is not enough to change ensure system value over private optimization.

3 **Q. Is there support in other jurisdictions for linking flexibility to the rate structure**  
4 **itself?**

5 A. Yes. Several jurisdictions are moving beyond pure take-or-pay structures toward rate  
6 designs that explicitly value flexibility. The Pennsylvania Public Utility Commission's  
7 Large Load Model Tariff Framework states that Large Load Customers willing to opt  
8 into interruptible service may be offered lower minimum demand charges as an  
9 incentive.<sup>69</sup> That is the same commercial logic I recommend here: verified flexibility  
10 should produce a measurable reduction in the Minimum Monthly Bill obligation.

11 In Minnesota Public Utilities Commission Docket No. E-002/M-25-289, Xcel  
12 Energy has proposed a Large Peak Controlled Time of Day Service that provides a  
13 reduced demand charge for customers that make controllable or interruptible load  
14 available. The structure pairs a large-load rate class with an explicit demand-charge credit  
15 for performance.<sup>70</sup>

16 Dominion Energy Virginia's GS-5 Very Large General Service rate class carries a  
17 long contract term and a high minimum billing demand—85% of contracted transmission  
18 and distribution demand and 60% of contracted generation demand. In its order, the  
19 Virginia State Corporation Commission directed Dominion, in its next transmission cost-

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<sup>69</sup> Pa. Pub. Util. Comm'n, Docket No. M-2025-3054271, Final Order at 84, 92 (May 12, 2026), <https://www.puc.pa.gov/pdocs/1929842.pdf>.

<sup>70</sup> Minn. Pub. Utils. Comm'n, Docket No. E-002/M-25-289, N. States Power Petition for Large General Time of Day Service and Large Peak Controlled Time of Service Tariffs (July 16, 2025).



1 allocation filing, to propose alternative cost allocations informed by that same minimum-  
2 demand standard.<sup>71</sup>

3 Additionally, the special contract between Indiana Michigan Power and Google  
4 includes a demand-response component alongside a clean capacity arrangement.<sup>72</sup>

5 In discovery, Rewiring America and SWEEP asked PSCo to identify every large  
6 load or data center tariff in other jurisdictions containing an explicit financial credit,  
7 incentive, or adjustment for demand response, load flexibility, or VPP participation, and  
8 to state whether it had evaluated the flexibility or VPP provisions in the Virginia GS-5  
9 tariff, the Ohio AEP data-center tariff, or any California large-load flexibility pilots. The  
10 Company responded that it did not conduct that comparative analysis.<sup>73</sup>

11 **Q. Why is a dedicated Large Load DSM and Flexibility program necessary in addition**  
12 **to the flexibility pathway tariff language?**

13 A. The tariff language creates a commercial signal. It does not install controls, behind-the-  
14 meter storage, telemetry, or aggregation platforms. Existing system-wide DSM and ISOC  
15 programs were not designed for customers of 50–500 MW with high load factors,  
16 complex operational constraints, and sophisticated energy-management capability. Those  
17 programs do not provide the enablement incentives, technology qualification standards,

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<sup>71</sup> Va. Corp. Comm’n, Case No. PUR-2025-00058, Final Order at 23–27 (Nov. 25, 2025), <https://www.scc.virginia.gov/docketsearch/DOCS/89g601!.PDF> (establishing GS-5 rate class with minimum demand charges of 85% of contracted transmission/distribution demand and 60% of generation demand).

<sup>72</sup> Ind. Util. Regulatory Comm’n, Cause No. 46276, Order of the Commission (Apr. 29, 2026), [https://www.in.gov/iurc/files/ord\\_46276\\_042926.pdf](https://www.in.gov/iurc/files/ord_46276_042926.pdf).

<sup>73</sup> See PSCo. Resp. to RA-SWEEP 2-12(b) (Attach. CF-2 at 13–14).

1 measurement-and-verification protocols, or third-party aggregator rules necessary to  
2 convert large-load capital into system resources at scale.

3 A dual incentive structure is required. First, up-front or enablement incentives  
4 must drive installation of the technologies the system needs, such as controls, telemetry,  
5 behind-the-meter storage, long duration storage, and aggregation capability. Second,  
6 ongoing performance payments or bill credits must ensure that those assets continue to  
7 deliver system value year after year. Without both components, the Flexibility Pathway  
8 remains a commercial signal without a delivery mechanism. The capital and capability  
9 that large loads bring will not be converted into system resources at the scale and  
10 reliability the Commission's prior direction contemplates.

11 **Q. What elements should the large-load DSM and Flexibility program include?**

12 A. I recommend that the program include, at a minimum, the following elements:

13 1. Eligible resources and services. Demand response and load shed, load shifting,  
14 behind-the-meter storage discharge, thermal storage, and virtual power plant services,  
15 including resources controlled by a qualified third-party aggregator. Behind-the-meter  
16 generation, storage, and thermal resources should be eligible flexibility resources under  
17 the performance credit pathway. A customer that invests in on-site storage or controls and  
18 delivers verified load reduction during critical hours should receive the same  
19 performance credit as a customer that provides operational flexibility without new  
20 hardware.

21 2. Dual incentive structure. Incentives that drive installation of the technologies  
22 the system needs (controls, telemetry, behind-the-meter storage, long-duration storage,

1 aggregation platforms), paired with ongoing performance credits against the Minimum  
2 Monthly Bill. The enablement leg is what enables assets to be deployed, while the  
3 performance leg is what ensures they are available to the system.

4 3. Third-party VPP and aggregator pathway. If a Schedule TL flexibility is  
5 delivered through a qualified third-party aggregator rather than directly, the same  
6 performance-credit standard recommended above should apply: any resulting reduction  
7 in the customer's Minimum Monthly Bill obligation must be tied to verified, measured  
8 system value under published measurement-and-verification protocols—not just to a  
9 general permission to designate to an aggregator.<sup>74</sup> Explicit rules governing enrollment,  
10 measurement, and crediting are necessary to ensure aggregator-delivered flexibility is  
11 held to the same standard as customer-delivered flexibility, rather than as a separate  
12 pathway.

13 4. Technology qualification and modular products for different load types.  
14 Standardized, fast-track qualification for common behind-the-meter storage, controls, and  
15 aggregation platforms. Telemetry and data sharing standards must be defined in the  
16 program. The program should be modular enough to reward the different forms of  
17 flexibility different large-load types can realistically deliver. Hyperscalers and AI data  
18 centers typically have very high load factors and limited inherent operational flexibility,  
19 but bring capital, advanced controls, and interest in precise load management and long-  
20 duration storage. Their highest-value contributions are therefore behind-the-meter  
21 storage, long-duration storage sponsorship, and precise load management. Industrial and

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<sup>74</sup> See PSCo. Resp. to RA-SWEEP 2-10(b) (Attach. CF-2 at 15–16).

1 large commercial loads (manufacturing, large retail and distribution, cold storage, and  
2 similar operations) often have more variable shapes and greater process, thermal, and  
3 interruptible potential.

4 5. Measurement, verification, and settlement. Published baselines, performance  
5 metrics, and settlement timelines. Credits must appear on the customer's Schedule TL bill  
6 on a predictable cadence so the value is bankable.

7 6. Ring-fencing from existing customer-funded programs. Large-load  
8 participation must not dilute benefits for other customers funded through the DSMCA,  
9 CEPR, RESA, or TEPA. The program should be structured so that enablement incentives  
10 and performance payments for Schedule TL customers are incremental to, and do not  
11 draw down, the resources available to residential, low-income, and small-commercial  
12 customers under those existing mechanisms.

13 **7. Annual public reporting.** Enrolled MW, event performance, estimated system  
14 benefits (capacity, energy, deferred transmission and distribution), and participation by  
15 customer type. Annual reporting is the minimum transparency required so that the  
16 Commission and other parties can assess whether the program is delivering the system  
17 value the Flexibility Pathway is designed to produce.

18 **Q. Does a performance credit limited to the large load customer's own flexibility fully**  
19 **implement Decision No. C25-0747 or close residual risk?**

20 **A.** No. A bankable performance credit against the Minimum Monthly Bill for the customer's  
21 own verified demand response, load shifting, behind-the-meter storage discharge, or  
22 thermal storage is a necessary commercial foundation. Without that credit, the 80 percent

1 take-or-pay structure leaves flexibility outside the rate design and the Commission’s prior  
2 finding unenforced.

3 That credit alone, however, does not expand the pool of flexible resources  
4 available to the system beyond the large-load customer’s own footprint. In the Phase I  
5 Just Transition decision, the Commission directed that the large-load tariff “reflect[] the  
6 actual incremental costs and benefits of serving these new loads in ways that account for  
7 differences in load flexibility during critical peak demand periods and locational  
8 impact.”<sup>75</sup> The Commission further directed the Company to comprehensively explore  
9 options for loads of this magnitude.<sup>76</sup> A pathway that rewards only the large load  
10 customer’s on-site flexibility leaves undeployed system value on the table and does not  
11 increase the volume of distributed flexible capacity that can offset the planning and  
12 operational impact of the large load itself. Residual cost shift exposure is therefore only  
13 partially addressed.

14 **Q. What additional design element would help close that gap?**

15 A. The Large Load DSM and Flexibility Program should include a structured pathway under  
16 which Schedule TL customers may meet a defined portion of their flexibility  
17 commitment or receive an enhanced performance credit against the Minimum Monthly  
18 Bill, by contracting with qualified third-party aggregators or by supporting additive  
19 procurement of distributed flexibility resources. Those resources include batteries,

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<sup>75</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 37 ¶ 81.

<sup>76</sup> *Id.* at 37–38 ¶ 82.

1 controllable loads, thermal storage, and electric vehicle charging capability that are  
2 incremental to resources already funded through the DSMCA, CEPR, RESA, and TEPA.

3 This design element converts large load capital into an expansion of the system's  
4 flexible resource base, rather than limiting the Flexibility Pathway to the customer's own  
5 site. It is consistent with the commercial structures now being used by hyperscale  
6 customers to secure capacity from aggregated distributed resources. It remains additive  
7 and ring-fenced so that existing program benefits for other customers are not diluted. And  
8 it reduces residual cost-shift exposure by increasing the volume of flexible capacity that  
9 can offset the impact of the large load. On this record, that expansion is a residual-risk  
10 reduction tool and a concrete implementation of the Commission's flexibility directive,  
11 not a free-standing subsidy.

12 **Q. How should this element be implemented in the compliance filing?**

13 A. The Commission should direct the Company, as part of the tariff language and Large  
14 Load DSM and Flexibility Program design to be filed within 60 days of a final decision,  
15 to include:

16 1. Explicit eligibility for third-party aggregated resources and for contributions to  
17 additive distributed flexibility capacity as qualifying sources of verified performance  
18 under the Flexibility Pathway;

19 2. Measurement, verification, settlement, and telemetry protocols that allow  
20 qualified aggregators to deliver and settle those resources against the Minimum Monthly  
21 Bill credit;

1           3. Additionality and ring-fencing rules that ensure any resources or funding  
2 supported by Schedule TL customers are incremental to, and do not reduce the benefits  
3 of, programs funded through the DSMCA, CEPR, RESA, and TEPA; and

4           4. An enhanced performance-credit tier available when a defined portion of the  
5 customer's flexibility commitment is met through third-party or additive distributed  
6 resources.

7           Keeping this element as part of this advice letter proceeding preserves the  
8 commercial link to the Minimum Monthly Bill and ensures that residual-cost protections,  
9 the Flexibility Pathway, and the expansion of distributed flexible capacity are adopted  
10 and implemented as a single regulatory package.

11 **Q. How does this pathway interact with the eligibility and aggregation reforms**  
12 **recommended by Mr. Lopez?**

13 A. The Flexibility Pathway and the Large-Load DSM and Flexibility Program apply only to  
14 loads that take service under Schedule TL. Mr. Lopez demonstrates that the proposed 50  
15 MW single-premise threshold is unsupported by engineering, planning, or cost-causation  
16 analysis and that an eligibility framework evaluating each interconnection independently  
17 creates opportunities for customers to structure around Schedule TL without reducing the  
18 actual costs they impose on the system.

19           If those reforms are not adopted, residual-cost and flexibility protections apply  
20 only to the subset of large loads that happen to land under Schedule TL, while  
21 sophisticated developers structure around the threshold itself. The commercial  
22 architecture reforms recommended here, and the eligibility reforms recommended by Mr.

1 Lopez are therefore interdependent. Eligibility rules that are hard to game, combined with  
2 commercial terms that convert the capital that does land under Schedule TL into verified  
3 system value, are both required. One without the other leaves residual cost-shift risk and  
4 unused system value.

5 **Q. Must any Speed-to-Market special contract carry the same flexibility pathway**  
6 **protections?**

7 A. Yes. Any Speed-to-Market special contract must be subject to affirmative Commission  
8 findings, made for each contract, including successive and concurrent arrangements that  
9 residual cost-shift risk is zero or fully mitigated, and that the same or stronger  
10 incremental cost, Minimum Monthly Bill, Capacity Reduction Payment, Exit Fee,  
11 collateral, and Flexibility Pathway protections apply unless a different structure is shown  
12 to provide equal or greater protection to other ratepayers. The Flexibility Pathway,  
13 including the additive third-party and distributed flexibility pathway, must be used with  
14 any Speed-to-Market arrangement. Without that requirement, Speed-to-Market risks  
15 becoming a pathway around the residual-cost and flexibility architecture.<sup>77</sup>

16 **Q. What procedural path do you recommend in this filing?**

17 A. The Commission should order the Company to file, within 60 days of a final decision in  
18 this proceeding, detailed tariff language for the Flexibility Pathway and a Large-Load  
19 DSM and Flexibility Program design covering enrollment, technology qualification,  
20 measurement and verification, settlement, telemetry, third-party VPP participation, the  
21 additive distributed flexibility pathway, non-interference with existing programs funded

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<sup>77</sup> See Proceeding No. 24A-0442E, Decision No. C25-0747 at 33–35 ¶¶ 73–76, 37–39 ¶¶ 82–85.



1 through the DSMCA, CEPR, RESA, and TEPA, and annual reporting. That compliance  
2 filing should be subject to comment and Commission approval before Schedule TL  
3 becomes effective for new customers.

4 Keeping implementation within this advice letter proceeding preserves the  
5 commercial link to the Minimum Monthly Bill and avoids deferring the pathway to a  
6 future, uncertain DSM or VPP docket where that link may be lost. The residual-cost  
7 protections, the Flexibility Pathway (including the additive pathway), and the Large-Load  
8 DSM and Flexibility Program are a single regulatory package. They should be adopted  
9 and implemented together.

10 That is the pathway required on this record to implement the goals the  
11 Commission articulated in the Phase I Just Transition decision to reduce residual cost-  
12 shift risk under every scenario the tariff itself permits, and to convert large load capital  
13 into verified system value—both on the large load site and across the broader flexible  
14 resource base.

15 **IV. Speed-To-Market Guardrails**

16 **Q. Please summarize the Company's claimed speed-to-market pathway.**

17 A. Mr. Ihle describes a Speed-to-Market pathway for customers with accelerated timelines,  
18 unique resource-mix needs, or other special considerations. Under that pathway,  
19 customers may pursue tailored contractual arrangements subject to Commission approval.  
20 The Company asserts that core cost responsibility and risk-protection principles will still

1 apply and points to analog arrangements in other jurisdictions, including the Minnesota  
2 Pine Island Google project.<sup>78</sup>

3 The claimed logic is that individualized arrangements can accommodate genuine  
4 acceleration needs while preserving the residual-risk protections established for Schedule  
5 TL and the commercial principles adopted in the Just Transition Phase I decision. The  
6 Company's position is that Speed-to-Market is a limited exception pathway, not a parallel  
7 tariff, and that the Commission's approval process will ensure that residual-cost and  
8 customer protection principles are maintained. That is the claimed logic against which the  
9 residual failure mode must be measured.

10 **Q. What does the Company mean when it asserts that core protections will still apply?**

11 A. The commercial principles adopted in the Phase I Just Transition decision include a  
12 minimum monthly bill, a minimum contract term, exit fees, credit support, and related  
13 customer-protection mechanics.<sup>79</sup> Mr. Ihle's comparison table and narrative present those  
14 principles as the framework intended to mitigate stranded cost risk and protect existing  
15 customers. The Company's assertion that core protections will still apply under Speed-to-  
16 Market is an assertion that those same principles—or an equivalent—will be present in  
17 any special contract.

18 In my opinion, an individually negotiated contract of that kind does not by itself  
19 guarantee that any specific protection will appear in a given agreement, unless the  
20 Commission requires it as a condition of approval. Schedule TL and the form ESA define

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<sup>78</sup>Hr'g Ex. 101, Ihle Direct 55:1–58:8.

<sup>79</sup>See *id.* at 41:4–43 (Tbl. JWI-D-3).

1 the Minimum Monthly Bill, Capacity Reduction Payment, Exit Fee, and credit-support  
2 mechanics with specificity.<sup>80</sup> A special contract is not automatically bound by those  
3 instruments. Without objective findings required before approval, the Commission has no  
4 mechanism to ensure that the assertion is given effect.

5 **Q. Can the residual exposure created by a weakened Speed-to-Market arrangement be**  
6 **quantified on this record?**

7 A. Yes. The Company's own Attachment JRK-2 provides the arithmetic. Under the L3A  
8 scenario (Data Center Row, 2,000 MW), estimated Transmission Network Reinforcement  
9 cost is \$1.24 billion and estimated annual revenue requirement is \$124 million.<sup>81</sup>  
10 Standard transmission revenues at full demand are \$95 million, producing a shortfall of  
11 approximately \$29 million even under fully compliant Schedule TL service at the 80  
12 percent Minimum Monthly Bill floor.<sup>82</sup>

13 Assume a single L3A-scale customer obtains Speed-to-Market treatment in which  
14 the Capacity Reduction Payment is weakened relative to the already insufficient Schedule  
15 TL formula. Under a mid-term 40 percent reduction of Contract Capacity, the Capacity  
16 Reduction Payment under Schedule TL already fails to recover the continuing Network  
17 Reinforcement revenue requirement and any further weakening of that payment expands  
18 the residual shortfall that Section II quantifies at approximately \$29 million annually (and  
19 higher after reduction). This illustrates that residual exposure is quantifiable with the

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<sup>80</sup> Hr'g Ex. 103, Attach. JRK-1; Hr'g Ex. 101, Attach. JWI-1.

<sup>81</sup> Hr'g Ex. 103, Attach. JRK-2 at 1 (Large Load Incremental Cost Study – Transmission, line 11).

<sup>82</sup> *Id.* (Large Load Incremental Cost Study – Transmission, line 19).

1 Company's own workpapers, and that weakening the protective instruments relative to  
2 Schedule TL produces incremental residual risk.

3 **Q. Does requiring affirmative findings for every Speed-to-Market contract defeat the**  
4 **purpose of a speed pathway?**

5 A. In my opinion, no, and recommend the Commission adopts a two-track framework rather  
6 than a uniform findings requirement.

7 Track 1- Streamlined approval. Any Speed-to-Market special contract that adopts,  
8 without material deviation, the Minimum Monthly Bill, Exit Fee, Capacity Reduction  
9 Payment (as redefined to the NPV-of-committed-cost floor recommended in Section II),  
10 collateral, and Flexibility Pathway terms applicable under Schedule TL or terms that  
11 provide equal or greater protection measured against that same NPV-of-committed-cost  
12 floor shall be eligible for streamlined or administrative approval. Genuine acceleration  
13 needs that accept the residual-cost and flexibility architecture face no findings burden,  
14 because no residual risk to other ratepayers remains to be tested.

15 Track 2 - Full findings and quantified comparison. Any Speed-to-Market special  
16 contract that deviates from those terms whether by weakening the Minimum Monthly Bill  
17 floor, the Capacity Reduction Payment, the Exit Fee, collateral requirements, or the  
18 Flexibility Pathway triggers the full affirmative findings process. The Company must  
19 produce a quantified comparison of every material term against the Schedule TL residual-  
20 cost and flexibility architecture (including the NPV-of-committed-cost Capacity  
21 Reduction Payment floor), a cumulative residual-cost analysis across all existing and

1 proposed Speed-to-Market and related arrangements serving the customer or its affiliates,  
2 and an affirmative demonstration that residual cost-shift risk is zero or fully mitigated.

3 This framing does not eliminate the Speed-to-Market pathway. It preserves  
4 genuine speed for contracts that accept the same or stronger protections other large loads  
5 receive.

6 **Q. Why is “equal to or greater than Schedule TL as filed” an insufficient standard?**

7 A. Because Schedule TL as filed does not fully close residual risk. Section II of this  
8 testimony demonstrates that the Capacity Reduction Payment recovers only the  
9 difference in Minimum Monthly Bills for the remaining months. That rate-based  
10 difference is not equivalent to the remaining revenue requirement of the assets sized to  
11 the original higher Contract Capacity. The residual pathway is open on the face of the  
12 tariff. Redefining the Capacity Reduction Payment to achieve full recovery of costs  
13 incurred or committed, including the remaining revenue requirement of specific Network  
14 Reinforcement and generation assets, is the quantified floor required to close that  
15 pathway.<sup>83</sup>

16 If Speed-to-Market is required only to match Schedule TL as filed, the  
17 Commission has guarded against a worse pathway while leaving the already-  
18 demonstrated residual gap fully open. Equal or greater protection must therefore be  
19 measured against the NPV-of-committed-cost Capacity Reduction Payment floor  
20 recommended in Section II, together with the Minimum Monthly Bill, Exit Fee,

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<sup>83</sup> See *supra* § II (recommending that the Capacity Reduction Payment be redefined on an NPV-of-committed-cost basis).

1 collateral, and Flexibility Pathway terms (including the additive distributed flexibility  
2 pathway) as strengthened by the reforms in this testimony.

3 **Q. Does the residual-cost architecture depend on contract capacity commitments being**  
4 **binding before the company commits infrastructure investment?**

5 A. Yes. The residual analysis assumes the Company sizes Network Reinforcement and  
6 generation to a customer's Contract Capacity and then faces a resetting protective  
7 instrument if that capacity is later reduced. This mechanism only works if Contract  
8 Capacity is a real commitment, not a number the Company builds to before the customer  
9 is locked in. The Phase I Just Transition Decision addressed exactly this sequencing  
10 problem. The Commission found it unacceptable for ratepayer funds to be used "to  
11 procure massive amounts of new generation to serve new large loads like data centers  
12 before such loads sign an ESA or IA or agree to any of the customer protections within  
13 the commercial principles."<sup>84</sup>

14 **Q. Does that concern extend to Speed-to-Market special contracts?**

15 A. Yes, and with less protection than Schedule TL provides. The Company describes Speed-  
16 to-Market as the pathway for customers who require accelerated timelines.<sup>85</sup> Acceleration  
17 shortens the window between the customer's initial capacity number and the Company's  
18 decision to commit capital. Nothing in the record shows that a Speed-to-Market Contract  
19 Capacity figure is subject to any verification standard, non-refundable payment, letter of  
20 credit, or equivalent, before that capital is spent.

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<sup>84</sup> Proceeding No. 24A-0442E, Decision No. C25-0747 at 27 ¶ 62.

<sup>85</sup> Hr'g Ex. 101, Ihle Direct 55:16–56:6.

1    **Q.    What do you recommend?**

2    A.    I recommend that any Speed-to-Market special contract be required, as part of the Track  
3           2 findings, to show that the Contract Capacity underlying the contract is backed by a  
4           binding customer commitment, a non-refundable initial payment, letter of credit, or  
5           similar instrument sized to a meaningful share of the projected infrastructure cost before  
6           the Company may treat that Contract Capacity as the basis for rate-based investment.  
7           Without that showing, a customer can obtain the speed benefit while the capacity  
8           commitment remains as reducible, and the residual exposure as open, as it is under  
9           Schedule TL itself. That undercuts the residual-cost protections and the two-track  
10          framework meant to implement the Phase I Just Transition decision.

11   **Q.    How should “common ownership or control” be defined for purposes of the**  
12          **cumulative analysis?**

13   A.    Successive or concurrent Speed-to-Market contracts by entities under common  
14          ownership, control, or affiliate relationships can aggregate around the guardrails if each  
15          contract is evaluated in isolation. Without a bright-line test, the Company or the customer  
16          can argue technical non-affiliation even where the entities are economically the same  
17          buyer. That is precisely the “structure around it” problem the eligibility reforms  
18          recommended by Mr. Lopez address.

19                The Commission should import, for purposes of the Speed-to-Market cumulative  
20          residual-cost analysis, the same aggregation and common-ownership test that Mr. Lopez  
21          recommends for Schedule TL eligibility and Contract Capacity. At minimum, entities  
22          that share a common ultimate parent, greater than 50 percent common ownership, or

1 shared control rights overload, interconnection, or contracting decisions should be treated  
2 as a single cumulative set. Running two uncoordinated definitions of “affiliate” across the  
3 same filing reopens the loophole the eligibility reforms are designed to close.

4 **Q. Are the proposed filing requirements meaningful if intervenors cannot access the**  
5 **comparison tables?**

6 A. No. Special contracts are routinely filed with substantial Highly Confidential Information  
7 designations because commercial terms are competitively sensitive. The quantified  
8 comparison of every material term, the cumulative residual-cost analysis, and the  
9 demonstration that residual risk is zero or fully mitigated are only meaningful if parties  
10 with a legitimate interest can actually examine them under a protective order.

11 The Commission should direct that the quantified comparison table, the  
12 cumulative residual-cost analysis, and any workpapers supporting the equal or greater  
13 protection demonstration be made available to intervenors under the standard protective  
14 order procedures applicable in this proceeding. Highly Confidential treatment of the  
15 underlying commercial terms may remain appropriate; the comparison itself and the  
16 residual arithmetic must be accessible for adversarial testing. Without that access, the  
17 “affirmative findings on the record” standard cannot be tested by intervenors or  
18 confirmed on the evidentiary record.

19



1 **Q. Has the Company's chosen analog of the Minnesota Pine Island case been tested**  
2 **against the standard recommended here?**

3 A. Mr. Ihle identifies the Minnesota Pine Island, Google project as an analog for the Speed-  
4 to-Market pathway.<sup>86</sup> The Company describes that arrangement as involving 1,400 MW  
5 of wind, 200 MW of solar, 300 MW of long-duration storage, and a \$50 million  
6 investment in the Xcel Energy-Minnesota Capacity\*Connect Program.<sup>87</sup>

7 The resource-mix and Capacity\*Connect description is useful context for the  
8 Clean Transition Tariff discussion. PSCo does not, however, compare the residual-cost  
9 instruments of that arrangement, Minimum Monthly Bill floor, Capacity Reduction  
10 Payment formula, Exit Fee calculation, or collateral mechanics against the Schedule TL  
11 architecture or the NPV-of-committed-cost floor recommended in Section II. The  
12 Company has not shown that its chosen analog satisfies an equal to or greater protection  
13 than the Schedule TL architecture and residual cost reforms recommended in this  
14 testimony. An analog that has not been tested against the residual pathway demonstrated  
15 under Attachment JRK-2 cannot serve as evidence that residual risk is controlled.

16 **Q. What should the Commission require before relying on an out-of-state or Company-**  
17 **selected analog to support the adequacy of Speed-to-Market guardrails?**

18 A. In my opinion, the Commission should not treat descriptive, resource-mix-level  
19 comparisons, megawatts of wind, solar, or storage, or aggregate dollar investment, as  
20 sufficient to demonstrate that an analog provides equivalent ratepayer protection. Before

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<sup>86</sup> Hr'g Ex. 101, Ihle Direct 57:9–58:8.

<sup>87</sup> Hr'g Ex. 102, Pascucci Direct 46:5–9.

1 relying on any such analog, the Company should be required to produce a documented,  
2 instrument-by-instrument comparison of the analog's Minimum Monthly Bill floor,  
3 capacity- or exit-fee mechanics, and collateral requirements against Schedule TL's  
4 equivalents. Absent that comparison, an analog's resource mix says nothing about  
5 whether it closes the same residual-cost exposure Schedule TL leaves open.

6 **Q. Must the guardrail standard apply to the combination of pathways a customer or**  
7 **affiliated group uses?**

8 A. Yes. A customer could combine a Speed-to-Market contract that satisfies the Track 1 safe  
9 harbor with a separate Clean Transition Tariff sponsorship arrangement and achieve the  
10 same reduction in residual-cost protection through that second, separately-reviewed  
11 pathway. Residual-cost, Flexibility Pathway, and attribute-ownership protections should  
12 therefore apply to the combination of pathways serving a given customer or affiliated  
13 group, not to each pathway class evaluated in isolation as if customers only ever use one.

14 The cumulative residual-cost analysis required under Track 2 must therefore  
15 include all Speed-to-Market, Clean Transition Tariff, and related special arrangements  
16 serving the customer or entities under common ownership or control. Ring-fencing of  
17 attributes and incremental-cost treatment under the Clean Transition Tariff must be  
18 coordinated with the residual-cost and Flexibility Pathway protections applicable under  
19 Speed-to-Market. Evaluating each pathway as a silo leaves the same residual risk open.

20 **Q. What ongoing reporting should be required?**

21 A. The Company should file annual reports identifying every Speed-to-Market special  
22 contract then in effect, every material deviation from the Schedule TL residual-cost and

1 Flexibility Pathway terms, the cumulative set of arrangements serving related or  
2 common-ownership load, and residual cost impacts across that cumulative set. Annual  
3 reporting allows the Commission and other parties to assess the cumulative effect of  
4 successive contracts that may each appear limited in isolation, and to confirm whether  
5 Speed-to-Market is continuing to function as a limited exception pathway consistent with  
6 the residual-cost and flexibility architecture established for Schedule TL.

7 **Q. How does the Speed-to-Market guardrail framework interact with the other**  
8 **reforms recommended in this proceeding?**

9 A. The eligibility, aggregation, Clean Transition Tariff expansion, and REC-ownership  
10 reforms recommended by Mr. Lopez and the residual-cost, Flexibility Pathway, and  
11 Speed-to-Market reforms recommended I recommend here are interdependent.

12 Clear, objective eligibility rules determine which loads are inside Schedule TL  
13 and therefore subject to the residual-cost and flexibility architecture. The residual-cost  
14 instruments determine whether costs already committed to serve large loads can be  
15 shifted to other customers under the scenarios the tariff permits. The Flexibility Pathway  
16 determines whether large load capital is converted into verified system value or left as  
17 private operational optionality. Speed-to-Market guardrails determine whether those three  
18 elements apply to individualized arrangements on the same terms as Schedule TL.

19 Without enforceable Speed-to-Market guardrails, the residual-cost and flexibility  
20 architecture established for Schedule TL may not extend to loads served through  
21 individualized arrangements. Without objective eligibility rules, the Flexibility Pathway  
22 and residual-cost protections may not reach the loads driving the largest system impacts.

1 In my opinion, the Commission should adopt all arrangements so that the residual-cost,  
2 flexibility, eligibility, and Speed-to-Market elements reinforce one another, rather than  
3 leave gaps in coverage.

4 In my opinion, Speed-to-Market can accommodate genuine acceleration needs  
5 through the Track 1 safe harbor. It should not operate as a parallel pathway that reopens  
6 residual cost-shift risk or excludes the Flexibility Pathway the Commission's prior  
7 direction requires.<sup>88</sup> The Commission should therefore adopt the two-track structure,  
8 require the affirmative findings and quantified comparison for any Track 2 deviation,  
9 measure equal or greater protection against the NPV-of-committed-cost floor derived  
10 from Attachment JRK-2, define common ownership consistently with the eligibility  
11 reforms recommended by Mr. Lopez, ensure protective order access to the comparison  
12 materials, apply the standard to the combination of pathways a customer or affiliated  
13 group uses, and require annual cumulative reporting.

14 **V. Summary and Recommendations**

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

16 A. I recommend that the Commission approve the Company's proposed Large Load Tariff  
17 framework with the modifications described in my testimony. Specifically, I recommend  
18 that the Commission:

- 19 1. Require that the Minimum Monthly Bill, Exit Fee, and Capacity Reduction Payment  
20 close residual cost-shift risk under every scenario Schedule TL itself authorizes—  
21 including mid-term capacity reductions, partial ramp or failure to reach Maximum

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<sup>88</sup> See Proceeding No. 24A-0442E, Decision No. C25-0747 at 33–35 ¶¶ 73–76, 37–39 ¶¶ 82–85.

1 Contract Capacity, sequential reductions, reduction after Network Reinforcement  
2 Facilities are already in service, and reduction followed by termination. The  
3 Commission should redefine the Capacity Reduction Payment so that it achieves full  
4 recovery of the remaining revenue requirement of the specific assets sized to the  
5 original higher Contract Capacity, including Transmission Network Reinforcement  
6 Facilities. The Commission should further require that any residual shortfall that  
7 remains after application of these instruments cannot be recovered from residential,  
8 income-qualified, or small commercial customers, and should direct the Company to  
9 produce quantified residual shortfall and bill-impact analyses under the scenarios the  
10 tariff permits.

- 11 2. Adopt an explicit Flexibility Pathway under Schedule TL under which verified  
12 demand response, load shifting, behind-the-meter storage discharge, thermal storage,  
13 and virtual power plant services earn a bankable performance credit against the  
14 Minimum Monthly Bill. The Commission should also direct the Company to file,  
15 within 60 days of a final decision, a dedicated Large Load DSM and Flexibility  
16 Program that includes enablement incentives paired with ongoing performance  
17 credits, explicit third-party aggregator rules, technology qualification and modular  
18 products for different load types, published measurement-and-verification and  
19 settlement protocols, additionality and ring-fencing protections so that large-load  
20 participation does not dilute benefits funded through the DSMCA, CEPR, RESA, or  
21 TEPA, and annual public reporting of enrolled MW, event performance, and

1 estimated system benefits. The Flexibility Pathway and Large Load DSM / Flexibility  
2 Program should travel with any Speed-to-Market special contract.

3 3. Impose hard Speed-to-Market guardrails through a two-track safe-harbor framework.

4 Any special contract that adopts, without material deviation, the residual-cost  
5 instruments (measured against the NPV-of-committed-cost Capacity Reduction  
6 Payment floor) and the Flexibility Pathway terms applicable under Schedule TL  
7 should be eligible for streamlined or administrative approval. Any special contract  
8 that seeks weaker terms should trigger full affirmative findings, a quantified  
9 comparison of every material term against the strengthened residual-cost and  
10 Flexibility Pathway architecture, and a cumulative residual-cost analysis across all  
11 arrangements serving the customer or entities under common ownership or control.

12 The Commission should define common ownership consistently with the eligibility  
13 reforms recommended by Mr. Lopez, require protective order access to the  
14 comparison materials, apply the guardrail standard to the combination of pathways a  
15 customer or affiliated group uses, and require annual cumulative reporting of all  
16 Speed-to-Market arrangements then in effect.

17 These recommendations would preserve the Company's objective of establishing a  
18 workable commercial framework for serving large loads while ensuring that residual  
19 cost-shift risk is closed under every scenario the tariff authorizes, that large-load capital is  
20 converted into verified system value through a bankable Flexibility Pathway, and that  
21 Speed-to-Market cannot become a parallel pathway around the residual-cost and  
22 flexibility architecture required by the Phase I Just Transition decision.

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

2    **A.**     Yes.

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

PROCEEDING NO. 26AL-0137E

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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.

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**AFFIDAVIT OF COURTNEY FIELDMAN**

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I, Courtney Fieldman, 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.

Courtney Fieldman  
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\_\_\_\_\_  
/s/

August 19, 2026  
Date

  
\_\_\_\_\_  
/s/

Michael Hiatt  
Earthjustice

*Attorney for Rewiring America and  
Southwest Energy Efficiency Project*