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Received - 2022-01-25 02:34:37 PM Control Number - 52485 ItemNumber - 104

SOAH DOCKET NO. 473-22-1073 PUC DOCKET NO. 52485

APPLICATION OF SOUTHWESTERN	§	
PUBLIC SERVICE COMPANY TO	§	BEFORE THE STATE OFFICE
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY TO	§	\mathbf{OF}
CONVERT HARRINGTON	§	
GENERATING STATION FROM COAL	§	ADMINISTRATIVE HEARINGS
TO NATURAL GAS	8	

SOUTHWESTERN PUBLIC SERVICE COMPANY'S RESPONSE TO OFFICE OF PUBLIC UTILITY COUNSEL'S SECOND REQUEST FOR INFORMATION QUESTION NOS. 2-1 THROUGH 2-6

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SOUTHWESTERN PUBLIC SERVICE COMPANY'S RESPONSE TO OFFICE OF PUBLIC UTILITY COUNSEL'S SECOND REQUEST FOR INFORMATION OUESTION NOS. 2-1 THROUGH 2-6

Southwestern Public Service Company ("SPS") files this response to the Office of Public Utility Counsel's ("OPUC") Second Request for Information, Question Nos. 2-1 through 2-6. SPS has provided notice, by email, to all parties that SPS's Responses to OPUC's Second Request for Information and accompanying exhibits (excluding voluminous and exhibits provided pursuant to the protective order) have been filed with the Commission and are available for download from the Commission's Interchange website.

I. WRITTEN RESPONSES

SPS's written responses to OPUC's Second Request for Information are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. SPS's responses are made in the spirit of cooperation without waiving SPS's right to contest the admissibility of any of these matters at hearing. In accordance with 16 Tex. Admin. Code § 22.144(c)(2)(A) ("TAC"), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When SPS provides certain information sought by the request while objecting to the provision of other

information, it does so without prejudice to its objection in the interests of narrowing discovery

disputes under 16 TAC § 22.144(d)(5). Pursuant to 16 TAC § 22.144(c)(2)(F), SPS stipulates that

its responses may be treated by all parties as if they were made under oath.

II. INSPECTIONS

If responsive documents are more than 100 pages but less than eight linear feet in length, the

response will indicate that the attachment is voluminous ("(V)") and, pursuant to 16 TAC

§ 22.144(h)(2), the exhibit will be made available for inspection at SPS's voluminous room at 600

Congress Avenue, Suite 2000, Austin, Texas 78701; telephone number (512) 721-2700.

Voluminous exhibits will also be provided via email through Coffin Renner LLP's file sharing link.

If a response or the responsive documents are provided pursuant to the protective order in

this docket, the response will indicate that it or the attachment is either confidential ("CONF") or

Highly Sensitive ("HS") as appropriate under the protective order. Access to Confidential and

Highly Sensitive materials will be available on SPS's file sharing platform to all parties that have

signed and filed the certification under the protective order entered in this docket. Confidential and

Highly Sensitive responsive documents will also be made available for inspection at SPS's

voluminous room, unless they form a part of a response that exceeds eight linear feet in length; then

they will be available at their usual repository in accordance with the following paragraph. Please

call in advance for an appointment to ensure that there is sufficient space to accommodate your

inspection.

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If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to 16 TAC § 22.144(h)(3), the attachment will be available for inspection at its usual repository, SPS's offices in Austin, Texas, unless otherwise indicated. SPS requests that parties wishing to inspect this material provide at least 48-hour notice of their intent by contacting Stephanie Tanner at Coffin Renner LLP, 1011 West 31st Street, Austin, Texas 78705; telephone number (512) 879-0900; facsimile transmission number (512) 879-0912; email address stephanie.tanner@crtxlaw.com Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and to SPS's operations as possible.

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Respectfully submitted,

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ATTORNEYS FOR
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RESPONSES

QUESTION NO. OPUC 2-1:

Please explain and provide supporting documentation of any analysis conducted by SPS to build new natural gas generation facilities instead of converting the Harrington generating station from coal fired to natural gas fired generation facility.

RESPONSE:

When conducting resource planning analyses, SPS does not "force" a single resource type (e.g., new gas generation) to replace a retiring unit. Instead, the EnCompass model creates an optimized expansion plan to replace retiring resources. The optimized expansion plan may select a single replacement resource type (e.g., new gas generation), but typically includes a portfolio of different replacement technologies including, solar, wind, battery energy storage and new gas generation. Each of these resources was available for selection in SPS's Harrington Analysis, and new gas generation was selected in all the scenarios evaluated. Mr. Elsey addresses this analysis in detail throughout his Direct Testimony.

Therefore, SPS's Harrington Analysis did consider building new gas generation facilities instead of converting the Harrington units to operate on natural gas. For example, the "Retire all Harrington Units" scenario shown in Table BRE-2 in the Direct Testimony of Ben R. Elsey includes a substantial build-out of new combustion turbine generators beginning 2026. In addition, as Mr. Elsey states on page 33 of his Direct Testimony, converting all three Harrington units to operate on natural gas and preserving the capacity value is \$123M lower in cost than retiring all three Harrington units, which includes the substantial build-out of new generation referred to above. Additional cost information is addressed in Table BRE-3 in Mr. Elsey's Direct Testimony.

Attachment DDK-1 to Mr. Dean Koujak's Direct Testimony also contains documentation and cost information related to building new generation facilities that would be required if all Harrington Units were retired compared to converting the Harrington units to operate on natural gas.

Please also refer to the EnCompass Output files provided in Exhibit SPS-SC 1-3(i)(CONF), which SPS provided in response to discovery from Sierra Club.

Preparer: Ben R. Elsey

Sponsors: Ben R. Elsey, D. Dean Koujak

QUESTION NO. OPUC 2-2:

Please explain and provide supporting documentation comparing the differences in service and cost between converting the Harrington generating station from coal to natural gas and building new generation facilities.

RESPONSE:

Please refer to Question No. 2-1.

Preparer: Ben R. Elsey Sponsor: Ben R. Elsey

QUESTION NO. OPUC 2-3:

Please explain and provide supporting documentation of any analysis conducted by SPS to enter into firm fuel supply or firm transportation contracts as an alternative to constructing a new natural gas pipeline to the Harrington generating station.

RESPONSE:

SPS has not conducted such an analysis.

Preparer: Ben R. Elsey Sponsor: Ben R. Elsey

QUESTION NO. OPUC 2-4

Please explain if SPS intends to obtain natural gas storage capacity or install fuel oil backup at the repowered Harrington generating station to enhance reliability of fuel supply. If so, please provide the estimated cost of those facilities and clarify if those costs are included in SPS's estimated total project costs.

RESPONSE:

Please see the responses to TIEC 3-3 and TIEC 3-4.

Preparer: Richard Derryberry

Sponsors: Mark Lytal, William A. Grant

QUESTION NO. OPUC 2-5:

Please describe the principal concerns expressed in the landowner comments received by SPS regarding the proposed repowering of the Harrington generating station and associated natural gas pipeline and explain how SPS addressed those concerns in its application.

RESPONSE:

SPS did not receive any documented comments from landowners; therefore, no principal concerns were expressed. If comments were to be received, SPS Staff would have addressed comments either by in person meetings or through alternate means, i.e., phone calls, video conferencing, email, text, or mail.

Preparer: Brian Hudson Sponsor: Mark Lytal

QUESTION NO. OPUC 2-6:

Did SPS consider pipeline routes other than those presented in its application? If so, please provide a map of the other routes and explain why the other routes were not presented. If other routes were not considered, please explain why not.

RESPONSE:

No. The multiple routes presented in this application represent the routes SPS considers to be the least impactful and most cost-effective routes to develop, construct, and operate.

Preparer: Brian Hudson Sponsor: Mark Lytal

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on January 25, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

Mark A. Santos