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

ALLIANCE OF XCEL MUNICIPALITIES'

INITIAL POST-HEARING BRIEF

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AXM'S INITIAL POST-HEARING BRIEF

TABLE OF CONTENTS

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AXM'S INITIAL POST-HEARING BRIEF

The Alliance of Xcel Municipalities ("AXM") hereby files its Initial Post-Hearing Brief ("Initial Brief") and in support thereof shows as follows:

I. INTRODUCTION & EXECUTIVE SUMMARY

The Alliance of Xcel Municipalities ("AXM") first thanks the Administrative Law Judges ("ALJs") for their time and for their consideration of all the issues presented in this case. The electric utility industry has reached an inflection point in Texas. As the Commissioners of the Public Utility of Commission of Texas ("Commission") have stressed throughout the aftermath of Winter Storm Uri, implementing electric generation resources that are both cost effective and provide ratepayers with long-term reliability is more important than ever.

AXM urges the ALJs to reject SPS's proposal to convert its Harrington coal-burning units to gas. SPS concedes that it plans to install new combustion turbine generators ("CTG") within the next several years in order to meet the increasing capacity requirements by 2030. Also, the converted Harrington units will have a useful life of only 10-15 years. The record does not support SPS's proposal to convert the Harrington Generating Station from coal to natural gas over replacing the three units with new CTGs. The evidence demonstrates that the options SPS evaluated to replace the coal-fired units at the Harrington Plant show a difference of about 1% variance in cost on an NPV basis over a 20-year period among the replacement options SPS analyzed.

Therefore, AXM urges the ALJs to reject SPS's proposal to convert the Harrington Generating Station units from coal to natural gas and instead require SPS to solicit a request for

proposal ("RFP") to determine the cost of a new gas-fired plant at the site of the Harrington Generating Station.

II. SPS'S GROWING SYSTEM NEEDS NEW COMBUSTION TURBINE GENERATORS; NOT CONVERTED COAL UNITS

A. SPS's System Needs Units that Provide More Energy and Have a Greater Ability to Backup Renewable Energy Resources

SPS's base-demand forecast for Summer 2021 shows that should SPS only retire and neither convert nor replace the Harrington units, SPS would be approximately 902 MW short of the required minimum capacity and reserve requirement in 2025. As Shown in Table 2 of AXM Witness Norwood's Direct Testimony, the Company further projects that this capacity deficit would grow to 1,802 MW by 2030 due to other planned resource retirements during that period.[1] Therefore, now is the time for the Company to invest in the most reliable and longest-lasting generating resources rather than kick that metaphorical can down the road.

The Harrington units represent over 20% of SPS's total system generating capacity and provide voltage support to SPS's system. SPS sets up as part of its justification for the conversion project to gas that the Harrington units are needed to support intermittent operations of the Company's renewable resources.[2] However, as AXM witness Norwood expressed in his direct testimony, there is serious reason for skepticism of SPS's claims that the gas conversion project will meet such needs. The ramp rate for converted units is only 2 MW per minute and the Company's production modeling of the converted units failed to consider the proposed Harrington gas unit start-up times which are critical capabilities for reliable support of renewable energy resources.[3]

Equally concerning, SPS's own production modeling for the Cost Benefit Analysis ("CBA") of the gas conversion project indicates that the average annual capacity factors of the converted Harrington units would be less than 0.07% during their first 12 years of service (2025-2036). Beyond the issue of whether a converted unit will even remain in service for as long as 12 years, SPS's production modeling raises serious questions regarding the Company's proposal to

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1 AXM Exh. 1 - Direct Testimony of Scott Norwood at 7 ("AXM Exh. 1 - Norwood Dir. at ___.").

2 AXM Exh. 1 - Norwood Dir. at 8.

3 *Id.*

invest $75 million for conversion along with a new gas pipeline for the plants, when the converted units are not ideally suited for peaking service and will rarely operate.[4]

Although perhaps not a perfect analogy, SPS's proposal to convert the Harrington Units from coal-burning to gas-fired generating units is not unlike choosing between remodeling an existing older house, or razing it and building a new one. Knowing that a new house of equal or larger size is needed, and that the owners will need to build a new house it makes little to no sense to remodel the existing house when the owners know the remodeled house will be used only intermittently, is of limited capability, and will be useful for only a short while.

Akin to the above discussed analogy of deciding to remodel or raze and replace a home, SPS's proposal makes little if any sense. When SPS's own base-demand planning forecast shows that in relatively short order SPS will need to install new CTGs, SPS will no doubt ask ratepayers to pay it both a return on and of the $75 million cost. If you need to rebuild a home, you would not renovate that very home 2-3 years prior to the rebuild. Allowing SPS to move forward with conversion rather than replacement is doing exactly that. SPS's customers will be forced to pay $75 million now, only to receive a generating plant that is not suited for backing up renewable generating resources, does not provide peaking service benefits, and crucially, has only one-fourth the service life that a new CTG unit would provide ratepayers.

Therefore, AXM urges the ALJs to reject SPS's proposed Harrington Gas Conversion Project on the basis that ratepayers will be stuck with a $75 million bill for converted generating units that do not provide long-term benefits to SPS's system.

III. COST/BENEFIT: TO RETIRE AND REPLACE THE HARRINGTON UNITS COSTS ABOUT 1% MORE THAN CONVERSION BUT PROVIDES RATEPAYERS WITH GENERATION CAPACITY THAT HAS MORE THAN FOUR TIMES THE USEFUL LIFE OF A CONVERTED PLANT

A. SPS's Own Analysis Indicates that to Retire and Replace the Harrington Units is About 1% More Than Conversion

As AXM witness Scott Norwood points out in his direct testimony, SPS's own Cost Benefit Analysis ("CBA") demonstrates that the difference in the cumulative net present value ("NPV")

[4] AXM Exh. 1A - HS Portions of Direct Testimony of Scott Norwood at HS Attachment SN-3 ("AXM Exh. 1A - HS Portion Norwood Dir. at ___.").

of converting all 3 units to natural gas versus retiring and replacing all three Harrington units with CTGs over a 20-year horizon (2022-2041) is at most about 1% more. A difference of this amount is nominal and is well within the expected range of modeling error for a 20-year forecast of a large utility system such as SPS's.[5]

SPS's CBA supporting the proposed Harrington gas conversion project is described in SPS witness Ben Elsey's direct testimony.[6] SPS conducted its initial economic analysis of the disposition of the Harrington coal units in 2019. Based on SPS's analysis the Company concluded that it should end coal-fired operations at Harrington in 2025 and that by the end of 2024, conversion of the units to burn natural gas was a reasonable and prudent solution to provide capacity, reliability, and environmental compliance requirements of the SPS system.[7]

In 2021, the Company updated its 2019 economic analysis of the Harrington units to: 1) update critical modeling inputs to reflect changes since the 2019 analysis; 2) make updates for SPS's transition to a new production cost modeling software, EnCompass; and 3) incorporate new pricing information on replacement resources obtained through responses to a nonbinding RFI[8] submitted by the Company in the Fall of 2020.[9] The Company bases its application to move forward with its Harrington gas-conversion project on its updated 2021 Economic Analysis.[10]

SPS evaluated two basic solutions for disposition of the Harrington Coal units: 1) install the necessary emissions controls to continue operations of the Harrington units using coal; and 2) ceasing Harrington coal operations at the end of 2024 and converting one or more of the units to natural gas and replacing the remaining unit(s) to natural gas. In all, SPS evaluated the following six scenarios:[11]

- Scenario 1: Retirement and replacement of all Harrington Units by the end of 2024;

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5 AXM Exh. 1 - Norwood Dir. at 12.

6 SPS Exh. 7, Direct Testimony of Ben Elsey at 23-25 ("SPS Exh. XX, Elsey Dir. at ___").

7 *Id.* at 23-25.

8 AXM takes the position that SPS was in error by not issuing a binding RFP. However, for the purposes of SPS's CBA, AXM will address this in Section III, below.

9 *See* SPS Exh. 7, Elsey Dir. at 26.

10 *Id.*

11 SPS Exh. 7, Elsey Dir. at 32.

- Scenario 2: Convert all Harrington units to natural gas by the end of 2024;
- Scenario 3: Install Dry Sorbent Injection SO2 controls on all Harrington Units by the end of 2024;
- Scenario 4: Install Spray Dryer Absorbent SO2 controls on all Harrington Units by the end of 2024;
- Scenario 5: Retire Harrington Units 1 and 2 then convert Harrington 3 to natural gas by the end of 2024; and
- Scenario 6: Retire Harrington Unit 1 then convert Harrington Units 2 and 3 to natural gas by the end of 2024

When evaluating these six scenarios, SPS considered a Study Period of 20 years, 2022 through 2041.[12] The results of SPS's 2021 Base Case analyses for each of the six scenarios are summarized in in Table 1, below:

Table 1

Results of 2021 Updated Harrington Economic Analysis

Base Load and Gas Price Forecast + $400/kW Interconnection Cost[13]

(2022-2041 Cumulative NPV, $Millions)

Scenario	Description	NPV 2022-2041	Delta	%Diff
2	Convert All to NG	$11,949	$0	0.0%
1	Retire/Replace All	$12,072	$123	1.0%
3	Install DSI All	$12,388	$439	3.7%
4	Install SDA All	$12,644	$695	5.8%
5	Retire 2/Convert 1	$12,011	$62	0.5%
6	Retire 1/Convert 2	$11,944	-$5	0.0%

[12] *Id.*

[13] *Id.*

The base-case results shown in Table 1 above, establish that Scenarios 1, 2, 5, and 6 are statistically equal.[14] The difference in the cumulative net present value between Scenario 2 (SPS's proposed conversion of all 3 units to natural gas), versus Scenario 1 (retire and replace all three units with CTGs), is 1%.[15]

In his rebuttal testimony SPS witness Mr. Elsey attempts to rebut Mr. Norwood's testimony by noting that while Mr. Norwood's conclusion that Scenario 1 costs only one-percent more than Scenario 2 is mathematically correct, "the outcome is not surprising given the scale of the calculation."[16] But instead of a rebuttal Mr. Elsey's testimony proves Mr. Norwood's point: If you are going to spend a total of approximately $12 billion system wide, on a net present value basis, over a 20-year period, spending 1% more now to provide ratepayers with CTGs that are more reliable, more efficient, and longer lasting (40 years versus the 10-15 year max useable life for a converted unit[17]) justifies the slight increase in costs.[18]

Moreover, SPS itself has forecasted that the 3 converted units (Scenario 2) would produce very little energy due to their relatively low operating efficiency and high variable operating costs.[19] Therefore, AXM urges the ALJs to reject SPS's proposed conversion.

B. SPS's Sensitivity Analyses Do Not Significantly Change The Base Case Rankings of Scenarios 1, 2, 3, 4, 5, and 6.

When considering the sensitivity analyses SPS conducted, the base case rankings of Scenarios 1 through 6 did not significantly change. SPS conducted sensitivity analyses in evaluating the six scenarios that addressed uncertainty in key variables, including: 1) base, high, and low natural gas and market-energy price forecasts; 2) a range of sensitivities for transmission-interconnection costs for new resources ($200/kW, $400/kW, and $600/kW); and 3) financial (low) and planning (high) load forecasts.[20]

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[14] AXM Exh. 1, Norwood Dir. at 12.

[15] AXM Exh. 1, Norwood Dir. at 12.

[16] SPS Exh. 8, Rebuttal Testimony of Ben Elsey at 40 ("SPS Exh. 8, Elsey Reb. at ___").

[17] AXM Exh. 11 (SPS evaluated a 40-year service life for new combustion turbines).

[18] *See* AXM Exh. 1, Norwood Dir. at 12.

[19] SPS Exh. 7, Elsey Dir. at Attachment BRE-1 at 3.

[20] SPS Exh. 7, Elsey Dir. at 30.

As demonstrated in Table 2, below, over the 20-year study period under the Financial Load Forecast scenario, which reflects lower forecasted growth in peak demand, the relative rankings of the scenarios are similar to the Base Case results, and the differences remain nominal, with the cost of Scenario 1 being only 0.4% higher than the total modeled-production cost of the proposed conversion option (Scenario 2).[21]

Table 2

Results of 2021 Updated Harrington Economic Analysis

Low Load, Base Gas Price Forecast + $400/kW Interconnection Cost[22]

(2022-2041 Cumulative NPV, $Millions)

Scenario	Description	NPV 2022-2041	Delta	%Diff
2	Convert All to NG	$10,388	$0	0.0%
1	Retire/Replace All	$10,435	$47	0.4%
3	Install DSI All	$10,831	$443	3.7%
4	Install SDA All	$11,085	$698	5.8%
5	Retire 2/Convert 1	$10,415	$27	0.2%
6	Retire 1/Convert 2	$10,358	-$29	-0.2%

Similarly, as shown in Table 3, below, in the high-gas-price sensitivity analysis, the forecasted difference in costs between Scenario 1 and 2 are also nominal at 0.4%.

Table 3

Results of 2021 Updated Harrington Economic Analysis

Base Load, High Gas Price Forecast + $400/kW Interconnection Cost[23]

(2022-2041 Cumulative NPV, $Millions)

Scenario	Description	NPV 2022-2041	Delta	%Diff
2	Convert All to NG	$10,388	$0	0.0%
1	Retire/Replace All	$10,435	$47	0.4%
3	Install DSI All	$10,831	$443	3.7%
4	Install SDA All	$11,085	$697	5.8%
5	Retire 2/Convert 1	$10,415	$27	0.2%
6	Retire 1/Convert 2	$10,358	-$30	-0.3%

[21] AXM Exh. 1, Norwood Dir. at 13.

[22] SPS Exh. 7, Elsey Dir. at Attachment BRE-1 at 1.

[23] SPS Exh. 7, Elsey Dir. at Attachment BRE-1 at 2.

Crucially, as reflected in Table 4, below, the Company's sensitivity analyses using the low end ($200/kW) of SPS's forecasted interconnection costs along with the Base Case natural-gas price and Planning Load Forecast, also predict a smaller cost difference (0.6%) between the conversion project (Scenario 2) and the retire-and-replace alternative (Scenario 1).[24] As Mr. Norwood testified, this 0.6% cost difference is within the expected range of modelling error for a 20-year production modeling forecast of SPS's system.[25]

Table 4

Results of 2021 Updated Harrington Economic Analysis

Base Load, Base Gas Price Forecast + $200/kW Interconnection Cost[26]

(2022-2041 Cumulative NPV, $Millions)

Scenario	Description	NPV 2022-2041	Delta	%Diff
2	Convert All to NG	$11,803	$0	0.0%
1	Retire/Replace All	$11,870	$67	0.6%
3	Install DSI All	$12,221	$418	3.5%
4	Install SDA All	$12,478	$675	5.6%
5	Retire 2/Convert 1	$11,798	-$5	0.0%
6	Retire 1/Convert 2	$11,777	-$26	-0.2%

Therefore, because SPS's own sensitivity analyses demonstrates that, on an NPV basis over a 20-year horizon, the difference between the retire-and-replace Scenario 1 and retire-and-convert Scenario 2 is nominal, AXM urges the ALJs to reject SPS's proposal to convert Harrington from coal to natural gas.

C. SPS's Forecasted Cost Advantage Of Conversion Is Influenced By Questionable Interconnection Cost Assumptions

SPS uses questionable high interconnection costs in support of the supposed cost advantage of choosing conversion over replacement. SPS's own analyses evaluated interconnection agreements that cost $200/kW, $400/kW, and $600/kW, and has asserted that some interconnection costs may be as expensive as $934/kW. However, SPS failed to provide concrete

[24] AXM Exh. 1, Norwood Dir. at 18.

[25] AXM Exh. 1, Norwood Dir. at 14-15.

[26] *See* SPS Exh. 7, Elsey Dir. at Attachment BRE-1, page 3 of 6.

evidence in the form of a firm bid it has received or an instance of another utility paying such high amounts for interconnection costs to support its assertion.[27] SPS could have potentially avoided such varied and uncertain interconnection costs had it conducted a binding RFP for Harrington rather than relying on the non-binding 2020 RFI it conducted as a part of its analyses for its Tolk Generating Station.[28]

Moreover, SPS admitted that, as long as new generating resources are in service within 3 years of the retirement date, SPS will maintain its FERC interconnection rights at the Harrington plant by retiring and replacing the existing units with new generating resources.[29]

Therefore, because SPS cannot support its questionable high interconnection cost that the Company uses to support its alleged cost advantage of the gas-conversion project and given that SPS could maintain its interconnection rights if it installs new generating resources within three years at the Harrington plant, AXM urges the ALJs to dismiss SPS's questionable high interconnection-cost assumptions and reject SPS's proposed Harrington gas-conversion project.

IV. SPS SHOULD HAVE CONDUCTED A BINDING RFP AGAINST WHICH RATEPAYERS MAY COMPARE COSTS TO PROJECTED COSTS MOVING FORWARD

AXM urges the ALJs to conclude that the results of SPS's 2020 RFI for replacement resources at the Company's Tolk Plant fail to demonstrate that the Harrington Gas Conversion Project is the best option to replace the retired Harrington coal-fired capacity.

A. SPS Should Have Issued A Binding RFP Specifically Pertaining To Harrington, Not A Non-Binding RFI Pertaining To The Company's Tolk Analysis

In 2019, SPS conducted an initial economic analysis whose results SPS claims supported the Company's conclusion that it should end coal-fired operations at Harrington in 2025.[30] In 2020, after the Agreed Order from the Texas Commission on Environmental Quality ("TCEQ") was finalized, the Company issued a Request for Information ("RFI") for replacement capacity

[27] See AXM Exh. 15.

[28] *See* Tr. at 71 (SPS Witness Elsey stating that RFI SPS issued was not binding); *see also* AXM Exh. 2 at 4.

[29] AXM Exh. 14.

[30] *See* SPS Exh. 7, Elsey Dir. at 32.

and energy to replace SPS's coal units at the Company's Tolk (not Harrington) coal-fired generating station.[31] In the introductory section of the Company's RFI, SPS expressly informs all would be respondents that[32]:

> This announcement constitutes a Request for Information ("RFI") notice soliciting current pricing, technical characteristics, and other relevant information for potential generating resources. **This is not a Request for Proposal ("RFP") or solicitation for formal proposals. This RFI does not constitute a commitment, implied or otherwise, that SPS will take action in this matter.** SPS will not be responsible for any costs incurred in furnishing SPS responsive information.

From the outset of SPS's 2020 RFI, SPS discloses to all would-be respondents that any information submitted in response to SPS's RFI is 1) not binding; and 2) does not constitute a commitment upon which SPS will take action.[33] Common sense alone leads to the conclusion that the Company's 2020 RFI does not provide a reliable economic analysis upon which to base its economic justification for the Harrington Gas Conversion Project.

Crucially, SPS uses the responses it received to its 2020 RFI concerning replacement capacity and energy at the Company's *Tolk* Generating Plant to justify its proposed coal-to-natural-gas conversion project at the Company's Harrington generating station. The Company's rationale is in error for several reasons.

First, the Company's RFI was submitted in 2020 but SPS did not provide would be respondents with a firm timeline of when it would need replacement resources placed into service. The Company does say that it had a "minimum net capacity need" of approximately 500 MW beginning summer 2023 and a maximum net capacity need of approximately 2,200 MW beginning summer 2025.[34] However, SPS prefaces its RFI with a statement that "the Tolk analysis will also consider a scenario in which all of SPS's coal-burning units are retired or replaced before 2030." Consequently, SPS's RFI is at best unclear as to when SPS would need replacement generating resources placed into service and where.

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[31] AXM Exh. 1, Norwood Dir. at 6.

[32] AXM Exh. 2.

[33] *See* AXM Exh. 2 at 4.

[34] *See* AXM Exh. 2 at 4.

Second, as the current challenges of the disruption in supply-chains across the world make clear, it is nearly impossible to provide accurate pricing information to a solicitation if the in-service date is a moving target and the solicitation itself is not binding.

Third, and making matters even more difficult for potential respondents to provide a meaningful and accurate response, is the fact that SPS's 2020 RFI was intended for analysis pertaining to SPS's Tolk plant *not* its Harrington plant.[35] The 2020 RFI *was not* in any way focused on replacement generating resources for the Harrington Generating Plant. In fact, the 2020 RFI does not even discuss the Harrington plant – the very plant SPS is seeking approval to convert from coal to natural gas in this proceeding.

Therefore, aside from the concerning fact that the RFI SPS issued was not a binding RFP, the RFI SPS did issue was not even tailored to attract bids concerning replacement capacity and energy to replace SPS's coal-fired generating units at Harrington.[36] Therefore the results of SPS's 2020 RFI fail to demonstrate the Harrington Conversion Project is the best option to replace the retired Harrington coal-fired capacity.

B. SPS Should Conduct A New Competitive Bidding Process To Obtain Better Information Regarding Replacement-Capacity Alternatives For The Harrington Units

If the ALJs reject AXM's primary recommendation to disapprove of SPS's proposed conversion plans, alternatively, and in addition to the cost cap Mr. Norwood proposes, AXM urges the ALJs to require SPS to initiate a competitive-bidding process in the form of a binding RFP. While AXM doesn't dispute that SPS would have to do so expeditiously, SPS still has sufficient time and available resources outside of Harrington to proceed with a new bidding process.

As demonstrated in AXM witness Norwood's direct testimony, SPS could potentially still defer the need for replacement of the Harrington coal units in 2025 for several years by deferring its current plans to retire approximately 650 MW of capacity supplied from other SPS gas-fired units over the next several years or by relying on short-term capacity purchases as the Company

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[35] *See* AXM Exh. 4 (SPS's RFI response confirming that SPS has not issued an RFP for replacement of the Harrington generating capacity).

[36] AXM Exh. Nos. 4-5; *see also* AXM Exh. 1, Norwood Dir. at 8-9.

has done so in the past.[37] Doing so would provide SPS with additional time to properly solicit binding bids for replacement resources to be located at or near the Harrington Station site. The additional time would similarly provide SPS with time for the Company to refine its current estimates of interconnection costs for new plants which are a primary driver of the cost of replacement capacity options for the Harrington units.

Delaying a final decision regarding the Company's proposed plan for conversion would provide additional advantages that are consistent with SPS's July 2021 Integrated Resource Plan ("IRP"). SPS has already identified *new* gas-fired combustion turbines as the best resources for serving the Company's future system-capacity needs.[38] Moreover, as discussed above, SPS's own economic analysis shows that retiring and replacing the Harrington units with new CTGs costs approximately only 1% more on an NPV basis than conversion.[39]

At the Hearing on the Merits, SPS witness Elsey admitted that new CTGs provide benefits that the converted units simply cannot provide ratepayers.[40] Specifically, Mr. Elsey admitted that new CTGs have a 40-year service life in comparison to a 10-year service life for a converted unit.[41] Additionally, new CTGs allow for quicker start and ramp-rate times than converted units,[42] which is incredibly important for purposes of reliably backing up renewable resources such as wind energy.

SPS has already put ratepayers in a bind by using up valuable time in attempting to use the Company's 2020 RFI concerning SPS's Tolk Station, to justify the Company's proposed conversion of its Harrington Station from coal to natural gas. Therefore, if the ALJs recommend approval of SPS's conversion plans, it is imperative that the ALJs require SPS to conduct a new competitive and binding bidding process to obtain accurate information regarding replacement-capacity alternatives for the Company's Harrington units.

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37 AXM Exh. 1, Norwood Dir. at 9.

38 AXM Exh. 1, Norwood Dir. at 9.

39 AXM Exh. 1, Norwood Dir. at 12; SPS Exh. 7, Elsey Dir. at 32.

40 HOM Tr. At 170.

41 HOM Tr. At 170.

42 HOM Tr. At 170.

V. IF THE ALJS RECOMMEND APPROVAL, SPS SHOULD SATISFY CERTAIN CONDITIONS TO PROTECT RATEPAYERS

In the event the ALJs recommend approval of SPS's proposed Harrington gas conversion project, AXM urges the ALJs to place certain conditions on approval of the project including that: 1) the total recoverable capital cost of the Project and required pipeline will be subject to a cost cap of $70 million (Total Company) which represents the midpoint of SPS's estimated range of capital costs for the Project; 2) the Commission direct SPS to issue an RFP within 45 days of the Final Order in this case for binding bids to provide replacement generating resources (including required interconnection costs) that are capable of supplying the capacity and reliability needs arising from SPS's decision to cease operating the Harrington units on coal by the end of 2024 and present its evaluation of any proposals received when the Company seeks final approval and cost recovery for the Harrington gas conversion project; and 3) the Company obtains approval for the Project from New Mexico PSC.[43]

VI. CONCLUSION AND PRAYER

For the reasons stated above AXM urges the ALJs to reject SPS's proposed Harrington gas-conversion project. If the ALJs recommend approval of SPS's application, AXM urges the ALJs to require SPS to conduct a competitive-bidding process before moving forward with replacement capacity.

Respectfully submitted,

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[43] As of the Hearing on the Merits in this case, held on April 26, 2022, the administrative law judge in SPS's "Harrington Case" in New Mexico had recommended approval of SPS's conversion project.

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ATTORNEYS FOR ALLIANCE OF XCEL MUNICIPALITIES

CERTIFICATE OF SERVICE

I certify that I have served a copy of ***Alliance of Xcel Municipalities' Initial Post-Hearing Brief*** on the 11th day of May, 2022 upon all parties of record via electronic mail, in accordance with the Order Suspending Rules, issued in Project No. 50664.

By: */s/Leslie Lindsey*
Leslie Lindsey