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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
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COMMISSION STAFF'S INITIAL BRIEF

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May 11, 2022

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SPS REQUESTS APPROVAL TO CONVERT THREE COAL-FIRED GENERATION UNITS TO NATURAL-GAS FIRED GENERATION AT THE HARRINGTON POWER STATION, LOCATED NORTH OF AMARILLO. THE TOTAL CAPACITY OF THE THREE UNITS IS CURRENTLY 1,050 MEGAWATTS (MW), WHICH WOULD NOT CHANGE WITH CONVERSION OF THE UNITS. HARRINGTON UNIT 1 HAS A NET CAPACITY OF 340 MW; HARRINGTON UNIT 2 HAS A NET CAPACITY OF 355 MW; AND HARRINGTON UNIT 3 HAS A NET CAPACITY OF 355 MW. ACCORDING TO SPS, FEDERAL EMISSION STANDARDS WILL PROHIBIT SPS FROM OPERATING THE HARRINGTON UNITS AS A COAL-FIRED GENERATING ASSET AFTER JANUARY 1, 2025. FURTHER, SPS FILED A PLAN TO COMPLY WITH THOSE FEDERAL EMISSION STANDARDS WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ). AN AGREED ORDER WAS ENTERED BY TCEQ IN OCTOBER OF 2020, REQUIRING SPS TO CEASE COAL OPERATIONS BY JANUARY 1, 2025. SPS ESTIMATED THAT THE TOTAL COST OF THE PROJECT WILL BE BETWEEN \$65 AND \$75 MILLION; THE TEXAS JURISDICTIONAL PORTION OF THOSE COSTS WILL BE BETWEEN \$45 AND \$52 MILLION.

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STAFF’S FIRST ARGUMENT FOR IMPOSING A COST CAP ON THE PROJECT IS THAT IT IS CONSISTENT WITH COMMISSION PRECEDENT. IN DOCKET NO. 33891, THE COMMISSION IMPLEMENTED A COST CAP ON A COAL FACILITY EVEN THOUGH NO PARTY HAD PROPOSED ONE AND REASONED THAT TEXAS CUSTOMERS SHOULD NOT BE RESPONSIBLE FOR ANY ADDITIONAL COSTS BORNE OUT OF INCREASED MATERIAL OR LABOR COSTS. IN THE CURRENT DOCKET, AXM WITNESS NORWOOD PROPOSED A “SOFT” COST CAP OF \$70 MILLION, WHICH AMOUNT IS THE MIDPOINT OF SPS’S ESTIMATED RANGE OF CAPITAL COSTS FOR THE CONVERSION PROJECT. STAFF RECOMMENDS A COST CAP OF \$70 MILLION AND THAT THE CAP BE “HARD,” CONSISTENT WITH COMMISSION PRECEDENT.12

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
AFUDC	Allowance for Funds Used During Construction
EA	Environmental Assessment
CTG	Combustion Turbine Generator
IRP	Integrated Resource Plan
NAAQS	Integrated Resource Plan
TCEQ	Texas Commission on Environmental Quality
TPWC	Texas Parks and Wildlife Code
TPWD	Texas Parks and Wildlife Department

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

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

COMMISSION STAFF’S INITIAL BRIEF

I. INTRODUCTION

On August 27, 2021, Southwestern Public Service Company (SPS) filed an application to amend its certificate of convenience and necessity (CCN) to convert three steam turbine units from coal-fired generation to natural gas-fired generation.¹ The Staff (Staff) of the Public Utility Commission of Texas (Commission) recommends approval of the application with certain conditions, including a cost cap and a reporting requirement for SPS’s integrated resource plan (IRP), as explained below in section IV.

II. SUFFICIENCY OF APPLICATION AND NOTICE (P.O. ISSUE NOS. 1, 6, 7, 8)

Staff reviewed SPS’s² application for administrative completeness and found no material deficiencies. The ALJ found the application sufficient in Order No. 4 on October 6, 2021.³ Further, the ALJ found the notice sufficient in Order No. 7 on November 29, 2021.⁴ Therefore, Staff recommends that the application and notice be deemed sufficient.

¹ Application, SPS Exhibit 1 at 4 (Aug. 27, 2021).

² SPS Exhibit 1.

³ Order No. 4 (Oct. 6, 2021).

⁴ Order No. 7 (Nov. 29, 2021).

III. EFFECT OF APPROVAL UNDER PURA 37.056(C) (P.O. ISSUE NOS. 3, 4, 5, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22)

A. Project Description and Costs

SPS requests approval to convert three coal-fired generation units to natural-gas fired generation at the Harrington Power Station, located north of Amarillo. The total capacity of the three units is currently 1,050 megawatts (MW), which would not change with conversion of the units.⁵ Harrington Unit 1 has a net capacity of 340 MW; Harrington Unit 2 has a net capacity of 355 MW; and Harrington Unit 3 has a net capacity of 355 MW.⁶ According to SPS, federal emission standards will prohibit SPS from operating the Harrington units as a coal-fired generating asset after January 1, 2025.⁷ Further, SPS filed a plan to comply with those federal emission standards with the Texas Commission on Environmental Quality (TCEQ). An agreed order was entered by TCEQ in October of 2020, requiring SPS to cease coal operations by January 1, 2025.⁸ SPS estimated that the total cost of the project will be between \$65 and \$75 million;⁹ the Texas jurisdictional portion of those costs will be between \$45 and \$52 million.¹⁰

B. CCN Standard of Review

PURA § 37.056 governs the approval or denial of a CCN. Subsection (c) of this provision requires the Commission to weigh the following factors:

- (1) the adequacy of existing service;
- (2) the need for additional service;
- (3) the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and
- (4) other factors, such as:
 - (A) community values;
 - (B) recreational and park areas;
 - (C) historical and aesthetic values;

⁵ SPS Exhibit 1 at 4.

⁶ Direct Testimony of William A. Grant, SPS Exhibit 5 at 9.

⁷ *Id.* at 17.

⁸ *Id.* at 10-11.

⁹ SPS Exhibit 1 at 5.

¹⁰ *Id.*

- (D) environmental integrity;
- (E) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted; and
- (F) to the extent applicable, the effect of granting the certificate on the ability of this state to meet the goal established by Section 39.904(a) of this PURA.¹¹

C. SPS's Position

SPS analyzed six alternatives as a part of its plan to convert or retire the Harrington units by the end of 2024 in compliance with its agreed order with TCEQ.¹² The six alternatives were: (1) retire all units; (2) convert all three units; (3) install dry sorbent injection on all three units; (4) install spray dryer absorber on all three units; (5) retire units 1 and 2 and convert unit 3; or (6) retire unit 1 and convert units 2 and 3.¹³ SPS has selected option 2, converting all three units.¹⁴ SPS selected alternative 2 – convert all three units – because it will continue to need the capacity provided by the three units and the conversion is a cost-effective solution.¹⁵

D. Alliance of Xcel Municipalities' (AXM) Position

Alliance of Xcel Municipalities (AXM) witness Scott Norwood, using SPS's own analysis, testified that the cost of the alternatives involving retiring or converting one or more of the Harrington coal units – scenarios 1, 2, 5, and 6 – essentially costs the same because the cost differences between those scenarios was less than one percent.¹⁶ Mr. Norwood recommend selection of scenario 1 – retire and replace all three units – because conversion of all three units would mean that approximately 20% of SPS's total firm generating capacity would be supplied by older converted gas units.¹⁷ Further, he opined that retirements of all three units and replacement with combustion turbines would provide far better quick start capability and peaking service capability that is required for effective back-up of renewable energy resources and other requirements of the SPS system.¹⁸

E. EVALUATION OF THE EVIDENCE

AXM witness Norwood recommended that SPS be required to pursue scenario 1 “but it would need to proceed with the new bidding process expeditiously. In addition, SPS could

¹¹ Public Utility Regulatory Act, Tex. Util. Code Ann. § 37.056(c) (PURA).

¹² Direct Testimony of Ben R. Elsey, SPS Exhibit 7 at 29.

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 perhaps relying on short-term capacity purchases as it has in the past.”¹⁹ SPS witness Koujack indicated in response that not only in his opinion is there insufficient time to conduct a new bidding process, there is insufficient time for SPS to pursue a self-build option at the Harrington site involving construction of combustion turbines: “When there is not an interconnection logjam, minimum procurement timeframe for commercial operation, particularly for larger-sized generation, is approximately four years.”²⁰ Staff recommends approval of scenario 2, as requested by SPS, because of the risk of pursuing scenario 1 as a result of the relatively short amount of time before January 1, 2025 deadline to stop the use of coal at the Harrington plant.

IV. CONDITIONS FOR APPROVAL (P.O. ISSUE NO. 41)

Although Staff recommends that the conversion of the Harrington units be approved, to protect SPS’s customers Staff requests that the following conditions be placed on SPS as part of approval of the project.

¹³ SPS Exhibit 7 at 29.

¹⁴ *Id.* at 35.

¹⁵ SPS Exhibit 5 at 14 and 17.

¹⁶ AXM Exhibit 1 at 12.

¹⁷ *Id.* at 19.

¹⁸ AXM Exhibit 1 at 19.

¹⁹ *Id.* at 9.

²⁰ Rebuttal Testimony of D. Dean Koujack, SPS Exhibit 11 at 15-16

A. Cost Cap

Staff recommends that a cost recovery cap of \$70 million, including allowance for funds used during construction (AFUDC), be imposed on the project to protect customers from potential cost overruns. Staff recommends this condition (1) to act consistently with past commission precedent; and (2) because SPS should have filed its application sooner to give the Commission the opportunity to require further evaluation of alternatives to the conversion project.

Staff's first argument for imposing a cost cap on the project is that it is consistent with Commission precedent.²¹ In Docket No. 33891, the Commission implemented a cost cap on a coal facility even though no party had proposed one and reasoned that Texas customers should not be responsible for any additional costs borne out of increased material or labor costs.²² In the current docket, AXM witness Norwood proposed a "soft" cost cap of \$70 million, which amount is the midpoint of SPS's estimated range of capital costs for the conversion project.²³ Staff recommends a cost cap of \$70 million and that the cap be "hard," consistent with Commission precedent.

The other reason that Staff recommends a cost cap is the timing of the filing of SPS's application. Because SPS did not initiate this proceeding until August 27, 2021, the option for the Commission to require SPS to further evaluate alternatives to SPS's proposal and possibly implement an alternative to that proposal has been unduly limited because of the relatively short period before SPS must no longer use coal at the Harrington Station.

SPS became aware of changes to the National Ambient Air Quality Standards (NAAQS) as a part of the Clean Air Act in 2010.²⁴ As a result of the NAAQS changes, in 2016 the TCEQ installed a monitor in the vicinity of the Harrington Station to collect emission data.²⁵ This emission data was collected from 2017 to 2019.²⁶ In December of 2019, a report was published, which determined that three years of air quality monitoring data showed that the air emissions

²¹ *Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization for a Coal Fired Power Plant in Arkansas*, Docket No. 33891, Order at 7 (Aug. 12, 2008).

²² Docket No. 33891 at 7.

²³ AXM Exhibit 1 at 17.

²⁴ Direct Testimony of Jeffrey L. West, SPS Exhibit 15 at 7-8.

²⁵ *Id.* at 8.

²⁶ *Id.* at 8.

exceeded the NAAQS standard during that period.²⁷ Before that report was published, SPS began evaluating alternatives for conversion or retirement of the Harrington units as a part of SPS's economic analysis of the site.²⁸ After that evaluation, SPS entered into an agreement with TCEQ in October of 2020 to take the necessary steps to bring the units into compliance with NAAQS requirements and avert a "nonattainment" designation for the Harrington units.²⁹

Staff recommends that, based upon the reasoning outlined above, SPS should have a cost recovery cap imposed for the conversion project of \$70 million, including AFUDC.

B. New Mexico IRP

As explained above in subsection A, SPS asserts that it must promptly obtain a decision from the Commission in order to meet the 2024 year-end deadline to stop burning coal to fuel the three Harrington units. New Mexico requires that SPS file an IRP every three years³⁰ that forecasts systems needs and resources 20 years³¹ into the future. Staff recommends that a compliance project be opened in which SPS is required to file its IRP within two working days of its filing in New Mexico. This information would allow Staff and interested entities in Texas ready access to information about SPS's resource needs. Although it is SPS's responsibility to file generation CCN applications in time to give the Commission time to evaluate, and SPS to implement, reasonable alternatives, the filing of SPS's IRP could allow Staff or an interested entity to timely raise concerns with SPS's resource planning activities, in advance of SPS filing an application for a generation CCN. SPS should be allowed to request termination of this requirement in its next CCN application for generation resources.

C. Depreciation Rates

Staff recommends that depreciation rates and service lives for the converted units and the gas pipeline not be addressed in this docket, consistent with Commission precedent.

²⁷ *Id.* at 20.

²⁸ SPS Exhibit 7 at 20.

²⁹ SPS Exhibit 15 at 10.

³⁰ Integrated Resource Plans for Electric Utilities, New Mexico Public Regulation Commission, 17.7.3.9

³¹ 17.7.3.7 NMAC

Office of Public Utility Counsel (OPUC) witness Karl Nalepa recommended that depreciation of the Harrington Units not be accelerated and be treated consistent with the treatment of early retirements in Dockets Nos. 51415 and 46449.³² Further, Mr. Nalepa recommended that the gas pipeline to be constructed as a part of the conversion be given a 70-year service life as opposed to a service life of 12 to 16 years consistent with the remaining service life of the Harrington Units.³³ Commission precedent dictates that issues such as depreciation and service life are rate issues, and the Commission has stated that these rate issues should be addressed in a rate proceeding and not in a generation CCN proceeding.³⁴ Mr. Nalepa's own citations indicate this is so as both examples of the treatment he is seeking for the Harrington units' service lives are rate proceedings and not generation CCN proceedings.³⁵ Staff does agree with Mr. Nalepa that these issues need to be addressed but this is not the correct proceeding to do so.

V. PIPELINE ROUTE (P.O. ISSUE NOS. 2, 23, 24, 25, 26, 27, 28, 29)

Based on the testimony of Staff witness John Poole, Staff recommends Route 2 as the route that best meets PURA and the Commission's criteria. In its letter dated October 27, 2021, Texas Parks and Wildlife Department (TPWD) selected Route 2 as the route having the least potential impact on environmental integrity.³⁶ Parties did not propose alternative or modified routes to be considered. Staff did not identify any specific engineering constraints that are not present in a usual pipeline project, particularly in an area without significant changes in elevation. Staff noted that all the possible constraints can be adequately addressed by using design and construction practices and techniques that are usual and customary.³⁷

A. Adequacy of Possible Routes

SPS proposed a total of four routes that would run approximately 19.01 to 21.75 miles to the Harrington Generating Station.³⁸ SPS included all four routes in the notice of the application.

³² Direct Testimony of Karl Nalepa, OPUC Exhibit 1 at 7.

³³ OPUC Exhibit 1 at 7.

³⁴ *Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Acquisition of Wind Generation Facilities*, Docket No. 49737, Order at Finding of Fact 122A (Jul. 6, 2022).

³⁵ OPUC Exhibit 1 at 7.

³⁶ Staff Exhibit 1; Attachment JP-3 at 2-3.

It is Staff's position that SPS has presented an adequate number of reasonably differentiated alternative routes based on number and geographic diversity in its application.³⁹

B. Staff's Routing Recommendation

Considering the factors under PURA § 37.056 and 16 TAC § 25.101, Route 2 balances those factors and has the most advantages over the other alternative routes. Route 2, like the proposed alternative routes, has some advantages and some disadvantages. However, Route 2 has the most advantages overall and is superior to the other proposed alternative routes. As Mr. Poole noted⁴⁰:

- a. Route 2 is the shortest route at 19.01 miles;⁴¹
- b. Route 2 has the shortest length and area across bottomland/riparian brushland or shrubland, 11.8 miles and 71.5 acres⁴²;
- c. Route 2 has the shortest area across highly erodible soils, 0.2 acres;⁴³
- d. Route 2 has the shortest area across poor revegetation potential soils, 4.0 acres;⁴⁴
- e. Route 2 has the shortest length and area across high probability areas for archaeological sites, 11.0 miles and 66.9 acres;⁴⁵ and
- f. Route 2 has no archaeological or historical sites within its construction right of

³⁷ Staff Exhibit 1 at 28.

³⁸ *Id.* at 5-6.

³⁹ Staff Exhibit 1 at 17.

⁴⁰ *Id.* at 32.

⁴¹ Direct Testimony of Anastacia Santos. SPS Exhibit 17 at Attachment AS-2 at Table 4-1.

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

way.⁴⁶

VI. RELIABILITY (P.O. ISSUE NOS. 31, 32)

SPS anticipates minimal or no impact to the SPP transmission system should the Commission approve the proposed CCN amendment.⁴⁷ However, if the Commission does not approve the proposed CCN amendment and the Harrington units are retired, SPS anticipates transmission system impacts.⁴⁸ Transmission grid updates or changes would be studied and identified by SPP (*see* Attachment AB “Generator Retirement Process” of the Open Access Tariff as described in SPS’s response to Question No. SC 1-5(b)).⁴⁹ During this process, SPP would perform a study to identify any updates or changes, if required, within a year of the filing of the retirement request.⁵⁰ Retirement requests are to be filed with SPP no less than one year from the expected retirement date.⁵¹

VII. TEXAS PARKS AND WILDLIFE (P.O. ISSUE NO. 33)

Under Texas Parks and Wildlife Code (TPWC) § 12.0011(b)(2) and (b)(3), TPWD has authority to provide recommendations that will protect fish and wildlife resources to local, state, and federal agencies that approve, license, or construct developmental projects. Under TPWC § 12.0011(c), the Commission shall respond in writing to the recommendations filed by the TPWD. Mr. Poole reviewed the Environmental Assessment (EA) submitted in the application as well as TPWD’s recommendation and has recommended several mitigation measures that he found sufficient to address most of TPWD’s concerns.⁵² SPS, in the testimony of Anastacia Santos, states that the measures proposed by Mr. Poole are standard and reasonable collaboration with TPWD is

⁴⁶ *Id.*

⁴⁷ Staff’s Exhibit 5 at 13.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 18.

consistent with Commission practice.⁵³ These measures include the following proposed ordering paragraphs:⁵⁴

1. If SPS encounters any archeological artifacts or other cultural resources during Proposed Project construction, work must cease immediately in the vicinity of the artifact or resource, and the discovery must be reported to the Texas Historical Commission. In that situation, SPS must take action as directed by the Texas Historical Commission.
2. SPS must take precautions to avoid disturbing occupied nests and take steps to minimize the burden of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
3. SPS must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. SPS must ensure that the use of chemical herbicides to control vegetation within the rights-of-way complies with rules and guidelines established in the Federal Insecticide Fungicide and Rodenticide Act and with Texas Department of Agriculture regulations.
4. SPS must minimize the amount of flora and fauna disturbed during construction of the Proposed Project, except to the extent necessary to establish appropriate right of way clearance. In addition, SPS must revegetate, using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, SPS must avoid adverse environmental influence on sensitive plant and animal species and their habitats, as identified by TPWD and the United States Fish and Wildlife Service.
5. SPS must implement erosion control measures as appropriate. Erosion control measures may include inspection of the right-of-way before and during construction to identify erosion areas and implement special precautions as determined necessary. SPS must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. SPS is not required to restore the original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the project's structures or the safe operation and maintenance of the lines.
6. SPS must use best management practices to minimize the potential impacts to migratory birds and threatened or endangered species.

⁵³ Rebuttal Testimony of Anastacia Santos, SPS Exhibit 18 at 7.

⁵⁴ Staff Exhibit 1 at 18.

7. SPS must cooperate with directly affected landowners to implement minor deviations from the approved route to minimize the burden of the pipeline. Any minor deviations from the approved route must only directly affect landowners who were sent notice of the pipeline in accordance with 16 TAC § 22.52(a)(3) and landowners that have agreed to the minor deviation.
8. SPS must report the project approved by the Commission on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule. In addition, SPS must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when all costs have been identified.

VIII. OTHER REGULATORY APPROVALS (P.O. ISSUE NOS. 34, 35, 36, 37, 38)

SPS must seek regulatory approvals from multiple regulatory authorities to convert the Harrington Station from coal to natural gas generation. SPS included a table listing these regulatory authorities within Table 1-1 of its Environmental Assessment.⁵⁵ Table 1-1 lists the following regulatory authorities:

1. United State Army Corps of Engineers – Tulsa District;
2. United States Environmental Protection Agency;
3. United States Fish and Wildlife Service – Arlington Ecological Field Services Office;
4. New Mexico Public Regulation Commission;
5. Public Utility Commission of Texas (PUC);
6. Railroad Commission of Texas;
7. Texas Commission on Environmental Quality;
8. Texas General Land Office (GLO);
9. Texas Historical Commission;
10. Texas Parks and Wildlife Department;
11. Floodplain Administrator;
12. Native American Tribes.⁵⁶

⁵⁵ SPS Exhibit 17, Attachment AS-2 Environmental Assignment, Table 1-1 at 23.

⁵⁶ *Id.*

From the Railroad Commission of Texas, SPS must obtain a T-4 Permit to Operate Pipeline and a Permit to Discharge Hydrostatic Test Water to Land Surface.⁵⁷

⁵⁷ *Id.*

IX. PERMITS (P.O. ISSUE NO. 39)

Within its Environmental Assessment, SPS included a table listing all of the necessary permits that would be required for the construction and operation of the proposed project.⁵⁸

Table 1-1 lists the following required permits:

1. Clean Water Act, Section 404 Permit;
2. Rivers and Harbors Act, Section 10 Permit;
3. Clean Water Act, Section 402 National Pollutant Discharge Elimination System, General Permit for Discharges from Construction Activities;
4. Endangered Species Act, Section 7 Consultation;
5. Migratory Bird Treaty Act Coordination;
6. Bald and Golden Eagle Protection Act Coordination;
7. Amended Certificate of Convenience and Necessity (New Mexico Public Regulation Commission);
8. Amended Certificate of Convenience and Necessity (Public Utility Commission of Texas);
9. T-4 Permit to Operate Pipeline;
10. Permit to Discharge Hydrostatic Test Water to Land Surface;
11. Clean Water Act, Section 401 Water Quality Certification;
12. Temporary Water Use Permit;
13. State Land Right-of-Way Grant;
14. National Historic Preservation Act, Section 106 Consultation;
15. Project Review (TPWD);
16. Floodplain Permit;
17. National Historic Preservation Act, Section 106 Consultation.⁵⁹

X. CONCLUSION

Staff respectfully recommends that the SOAH ALJ issue a proposal for decision finding that the conversion of the Harrington Power Station from coal generation to natural gas is necessary for the service, accommodation, convenience, and safety of the public. In addition, Staff

⁵⁸ SPS Exhibit 17, Attachment AS-2 Environmental Assignment, Table 1-1 at 23.

⁵⁹ *Id.*

recommends approval of the application with a cost cap of \$70 million, including AFUDC; reporting requirements regarding both construction of the project and SPS's IRP; mitigation requirements for construction; and the selection of pipeline Route 2.

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

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 May 11, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Mildred Anaele
Mildred Anaele