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<b>APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONVERT HARRINGTON GENERATING STATION FROM COAL TO NATURAL GAS</b>	<b>§ § § § § § §</b>	<b>BEFORE THE STATE OFFICE    OF   ADMINISTRATIVE HEARINGS</b>
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**SOUTHWESTERN PUBLIC SERVICE COMPANY’S  
REPLY BRIEF**

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#### ATTACHMENTS:

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## **I. INTRODUCTION**

The critical importance of ensuring adequacy of electric capacity and supply is clearer now more than ever. Southwestern Public Service Company (“SPS”) takes its responsibility for ensuring adequacy—and doing so efficiently and cost-effectively—very, very seriously. SPS believes the Public Utility Commission of Texas (“Commission”) takes this need equally seriously.

The record reflects that the actions taken by SPS leading up to its request to convert Harrington Generating Station (“Harrington”) from coal to natural gas were diligent, thorough, and arrived at the best solution for customers. Assertions in the initial briefing of certain parties that SPS should have made this application earlier, or that it should have (counterproductively) issued a narrow Request for Proposals (“RFP”) rather than a broad and inclusive Request for Information (“RFI”) are bare assertions made without evidence and without any specific timeline on what SPS should have instead done when, and how. In fact, it is undisputed that: (1) only full conversion would support SPS’s obligation to maintain its 12% Southwest Power Pool reserve margin requirement in 2026; (2) full conversion presents the lowest risk of SPS being placed in situation where it might lack needed capacity in 2026 and beyond; (3) and full conversion is the most cost-effective option among feasible alternatives for customers.<sup>1</sup>

Simply put, SPS’s request to convert all three Harrington units is a straightforward, feasible and incredibly cost-effective solution to address SPS’s need to maintain the 1,050 MW of capacity at Harrington. Conversion is straightforward because it only requires construction of a pipeline and minor work on the units, which are already capable of using natural gas.<sup>2</sup> Conversion is

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<sup>1</sup> Direct Testimony of William A. Grant, SPS Ex. 5 at 15:3-5 and 15:9-12; Direct Testimony of Ben R. Elsey, SPS Ex. 7 at 8:14-16, 18:10-18 and 33:14-34:13; Rebuttal Testimony of Ben R. Elsey, SPS Ex. 8 at 7:5-8.

<sup>2</sup> Direct Testimony of Mark Lytal, SPS Ex. 12 at 8:5-12.

feasible because pipeline construction can be completed and the units fully converted to natural gas by the end of 2024, as required by an order issued by the Texas Commission on Environmental Quality (“TCEQ”).<sup>3</sup> Conversion is cost-effective because pipeline construction and minor adjustments to the existing units will cost Texas customers only \$45 million to \$52 million, which is a fraction of the cost of 1,050 MW of new generation that could cost \$500 million to \$1 billion.<sup>4</sup>

Despite the simplicity of the conversion option, in briefing, two parties continue to oppose SPS’s request and Commission Staff (“Staff”) and the Sierra Club propose new conditions. As detailed below, the Alliance of Xcel Municipalities’ (“AXM”) suggestion that SPS should replace Harrington with entirely new gas-fired combustion turbines, in lieu of conversion, remains costly for customers,<sup>5</sup> and the Sierra Club’s suggestion that SPS either retire or “mothball” one unit remains risky from a reliability perspective.<sup>6</sup> Neither would serve reliability, resource adequacy, and cost-effective service as well as conversion.

Importantly also, Staff’s new proposed hard cost cap of \$70 million on the conversion is unsupported by the record evidence, including that relating to the regulatory history of SPS’s request.<sup>7</sup> It is inconsistent with Commission precedent, as evidenced by dozens of certificate of convenience and necessity (“CCN”) proceedings that contained no such hard cap since the single,

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<sup>3</sup> SPS Ex. 12 at 10:20-11:7.

<sup>4</sup> *Id.* at 18:5; Rebuttal Testimony of William A. Grant, SPS Ex. 6 at 14:15-15:2; SPS Ex. 8 at 37:19-38:3; Tr. at 172:3-15 (Elsev Redirect) (Apr. 26, 2022).

<sup>5</sup> Direct Testimony of Scott Norwood, AXM Ex. 1 at 18:27-19:2.

<sup>6</sup> Direct Testimony of Devi Glick, Sierra Club Ex. 1 at 55:6-14 (In this brief, page citations to Sierra Club exhibits refer to the bates stamp on the lower right corner of the page).

<sup>7</sup> As detailed below, SPS has diligently and expeditiously moved forward with both the different substantive project development work and the regulatory approvals necessary to find the best path forward at Harrington, including filing this case less than a year from the signing of the Agreed Order with the TCEQ.

extraordinary example of a hard cap cited by Staff.<sup>8</sup> It is also fundamentally incompatible with other Staff recommendations, such as Staff's requirements that SPS work with landowners on issues involving minor deviations and the Texas Parks and Wildlife Department on any environmental or cultural issues that are discovered during the pipeline build. In the same vein, the Sierra Club's newly-proposed restrictions on recovery of customer-serving investments are not consistent with Commission precedent related to cost recovery. These investment restrictions are unnecessary, inappropriate, and would set bad precedent that does not support good outcomes for customers.

SPS respectfully requests that the Administrative Law Judges ("ALJs") present the Commission with a Proposal for Decision that recommends conversion—shown to be the most innovative, yet simple, and cost-effective solution for SPS's customers—without the newly proposed conditions of Staff and the Sierra Club.<sup>9</sup> Only that result is consistent the evidentiary record and Commission precedent. SPS's request should be approved.

## **II. ARGUMENT**

### **A. Response to Commission Staff.**

#### **1. SPS did not unreasonably delay this filing.**

Staff recommends that SPS's proposed conversion of Harrington be approved.<sup>10</sup> SPS appreciates the thoughtfulness of Staff's approach in this case—an approach that sought to fully consider the evidence submitted by all parties before ultimately reaching the conclusion that

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<sup>8</sup> In light of Staff's briefing, SPS undertook an analysis of CCN precedent immediately following the Turk plant case cited by Staff and CCN cases reviewed by the Commission in the past two years. In those time periods, in over 100 CCN cases, the Commission issued no CCN orders containing hard caps. Attachment B to this brief lists the cases analyzed.

<sup>9</sup> Consistent with SOAH Order No. 4, SPS is filing its Proposed Order with this Reply Brief at Attachment A.

<sup>10</sup> Staff Initial Brief at 12.

conversion is the best cost-effective option for customers. SPS is also encouraged by Staff's desire to be more aware of SPS's integrated resource planning activities.<sup>11</sup> Likewise, Staff's initial brief appropriately recognizes that certain issues are outside the scope of this proceeding, such as depreciation rates.<sup>12</sup> In short, Staff's position on conversion is, for the most part, well-reasoned.

However, Staff appears to recommend a \$70 million cost cap on the conversion project due to the fact that SPS was not able to initiate this proceeding until August 27, 2021. Staff suggests that if SPS had filed its application sooner, the Commission would have had the opportunity to "require further evaluation of alternatives to the conversion project."<sup>13</sup> This is simply not the case. SPS was required to bring the Commission a proposal in this case supported by evidence—not an exhaustive list of potential alternatives. To this end, the record reflects that SPS analyzed every possible scenario for replacing Harrington, that the process was supervised by an Independent Evaluator ("IE"), and that same analysis has been presented for the Commission to consider.<sup>14</sup> The results of that analysis demonstrate that SPS should not build a new generator. It should simply change the primary fuel from coal to natural gas at Harrington.

Moreover, since the Commission stepped away from the resource planning process at the advent of competition in Texas,<sup>15</sup> no formal process has been in place whereby SPS could seek the guidance of the Commission in advance of filing a case such as this. While SPS appreciates Staff's

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<sup>11</sup> *Id.* at 13.

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

<sup>13</sup> *Id.* at 12.

<sup>14</sup> SPS Ex. 7 at Att. BRE-1; Direct Testimony of D. Dean Koujak, SPS Ex. 10 at Att. DDK-1.

<sup>15</sup> *Adoption of Staggered Schedule for the Submission of Integrated Resource Plans Pursuant to P.U.C. Subst. R. 23.161(d)*, Project No. 19845, Order Relieving Utilities of Filing Preliminary Plans and Closing Project at 1 ("In light of the elimination of integrated resource planning requirements in Senate Bill 7, any utility required to file a preliminary resource plan in August 1999 and all subsequent months thereafter is relieved of the obligation to file a preliminary resource plan."); The Legislature amended PURA in 1999 to effectuate the transition to competition. See PURA § 39.001 *et. seq.*

apparent desire to now be more involved in future resource planning, SPS should not be punished for operating in accordance with applicable law and rules or for making a filing that is compliant with Commission generation CEN precedent.

As also detailed below, Staff's criticism regarding the timing of this filing unfairly overlooks the actual and historical regulatory approval process for filings such as this, the context for SPS's decision making, and the effort that SPS undertook to evaluate potential replacement options at Harrington. Staff's cost cap recommendation is also inconsistent with Commission precedent and Staff's other recommendations in this case. As such, SPS respectfully requests that Staff's "hard cap" condition be found inappropriate.

As an initial matter, the timeline and SPS's diligence in attempting to find a solution for Harrington did not include delay. It is undisputed that in 2019, under the Clean Air Act (a *federal statute*) the area around Harrington was highly likely to receive a "Nonattainment" designation due to Sulfur Dioxide (SO<sub>2</sub>) emissions in the area where the facility is located due to exceedances of federal National Ambient Air Quality Standards ("NAAQS") and the Environmental Protection Agency ("EPA") would soon designate the area as Nonattainment absent a firm obligation to resolve the air quality issue.<sup>16</sup> SPS negotiated an order ("Agreed Order") with the TCEQ to comply with NAAQS requirements and avoid a "Nonattainment" designation and the myriad consequences of such a designation. This Agreed Order was then presented for public review and comment during an open TCEQ Commissioners meeting in October of 2020.<sup>17</sup>

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<sup>16</sup> Direct Testimony of Jeffrey L. West, SPS Ex. 15 at 8:10-11:6.

<sup>17</sup> *Id.* at 15:2-3.



The record evidence is also undisputed that SPS did not wait until 2021 to evaluate options at Harrington.<sup>18</sup> With the news that a Nonattainment designation was increasingly likely, although not yet in place, SPS first modeled and conducted economic analysis surrounding the replacement options at Harrington in 2019.<sup>19</sup> Thus, in 2019, all potential options for replacing Harrington were studied and the analysis was updated in 2021 to confirm that the 2019 findings and conclusions remained valid.<sup>20</sup> Staff's suggestion that SPS should have made its application before August 2021 ignores SPS's due diligence in preparing the pre-designation analysis in 2019, getting a head start on the necessary planning, and the fact that TCEQ's enforcement decision had to be final before SPS could begin formally to develop the record, including analysis of alternatives, to present to the Commission a complete application in this docket. To the contrary, the actual history surrounding SPS's continuous, diligent effort to find the best solution to retain or replace Harrington demonstrates SPS's good faith and timely action throughout this process.<sup>21</sup>

Along the same lines, Staff's reference to when NAAQS standards were first approved and when monitoring at Harrington first began<sup>22</sup> ignores the record evidence demonstrating the uncertainty regarding environmental regulation over the past decade. As detailed in Mr. Jeffrey West's rebuttal testimony, EPA regulations relating to environmental controls and regional haze have been in an uncertain status for years due to court challenges and differences of opinion between the EPA, states and stakeholders.<sup>23</sup> In this context of uncertainty, SPS continued to be a

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<sup>18</sup> See Staff Initial Brief at 12 (suggesting that SPS's actions have somehow limited the options currently before the Commission).

<sup>19</sup> SPS Ex. 7 at 23:17-20.

<sup>20</sup> *Id.* at 6:23-26, 26:4-8.

<sup>21</sup> SPS Ex. 15 at 8:20-10:4, 14:13-15:4; SPS Ex. 7 at 23:14-27:1; SPS Ex. 5 at 9:13-10:8.

<sup>22</sup> Staff Initial Brief at 12-13.

<sup>23</sup> Rebuttal Testimony of Jeffrey L. West, SPS Ex. 16 at 6:7-7:15.

good steward of its coal assets while it also added over 2,000 MW of new Commission-approved wind resources to its portfolio.<sup>24</sup> SPS has also been frequently before the Commission over the past decade in rate cases where stakeholders have been apprised in detail of SPS's generation needs and issues, most recently exemplified by the parties agreeing to the early retirement of and accelerated depreciation on the coal assets at Harrington.<sup>25</sup> To second guess the timing of SPS's filing ignores this history and ignores the fact that SPS needed firm direction from the TCEQ before it was prudent to request conversion.

Once the direction was set, as required by TCEQ's enforcement action in October of 2020, SPS moved forward expeditiously with the many tasks needed to plan for the proposed project—including project design and compliance structure, documentation of prior evaluation of environmental controls, evaluation of alternatives, and soliciting availability of competitive supply options—in a timely manner prior to filing this application in August of last year.<sup>26</sup> Notably, from an application preparation standpoint, it also undisputed that SPS is the party with the burden of proof in this proceeding and this case involves issues of first impression. In fact, the first few months of this proceeding were occupied with the Commission's consideration of its jurisdiction over the pipeline route.<sup>27</sup> Staff's suggestion that SPS is at fault for federal air quality standards and other regulatory processes taking time prior to SPS being able to file this case is simply not

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<sup>24</sup> *Application of Southwestern Public Service Company for Approval of Transactions with ESI Energy, LLC and Invenergy Wind Development North America LLC, to Amend a Certificate of Convenience and Necessity for Wind Generation Projects and Associated Facilities in Hale County, Texas and Roosevelt County, New Mexico, and for Related Approvals*, Docket No. 46936, Final Order (May 25, 2018).

<sup>25</sup> *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 51802, Unopposed Stipulation at 5 (Jan. 26, 2022).

<sup>26</sup> See SPS Ex. 10 at 7:16-19 (SPS actually issued the RFI before the Agreed Order was signed).

<sup>27</sup> Order No. 1 at 1-2 (Aug. 31, 2021).

accurate and is further belied by the fact that SPS actually considered and provided analyses for 36 potential alternatives (not 6 as alleged in Staff's initial brief)<sup>28</sup> as part of its due diligence.

**2. A hard cap on the Harrington conversion would be unjustified, is not consistent with relevant Commission precedent related to CCN amendments, and is inconsistent with other Staff recommendations in this proceeding.**

Further, the Commission precedent cited by Staff in support of its proposed hard cap involved an exceptional case with significantly different circumstances than SPS's request in this case. Specifically, Commission Staff cites Docket No. 33891, the proceeding in which the Commission approved Southwestern Electric Power Company's ("SWEPCO") request to build the Turk Plant, a \$1.522 billion coal plant located in Arkansas, not Texas.<sup>29</sup> First of all, the vast differences between the construction cost estimates for the Turk plant and the Harrington conversion project call into question Commission Staff's reliance on this precedent. The Turk Plant was a capital project with capital costs orders of a magnitude much greater than the Harrington conversion, and, consequently, the risk to ratepayers of cost overruns with the Turk plant were much greater than any risk to ratepayers in this proceeding.

But, more importantly, the Commission provided a detailed explanation for *why* a hard cost cap was appropriate for the Turk Plant. In that case, parties "presented substantial testimony quantifying the ultimate cost of SWEPCO's self-build [of the Turk Plant]," and the Commission concluded based on the competing evidence there were significant uncertainties surrounding the overall cost of the Turk Plant.<sup>30</sup> Moreover, those uncertainties called into question whether the

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<sup>28</sup> Staff Initial Brief at 13.

<sup>29</sup> *Application of Southwestern Electric Power Company for a Certificate of Convenience and Necessity Authorization for Coal Fired Plant in Arkansas*, Docket No. 33891, Order on Rehearing (Sep. 29, 2008).

<sup>30</sup> Docket No. 33891, Final Order at 6-7 (Aug. 12, 2008).

Turk Plant was a reasonable solution to the identified future power needs as opposed to purchasing generation capacity.<sup>31</sup> Thus, if the estimated cost of constructing the Turk Plant had been more expensive, the Commission likely would not have approved SWEPCO's request. So, for that explicit reason, the Commission held "it is appropriate to place certain limits on the costs that may be placed in base rates . . ."<sup>32</sup>

The reasoning supporting the cost cap for the Turk Plant does not apply to this proceeding. Here, no party presented any evidence that SPS's construction cost estimates were unreliable or subject to special uncertainties based on available information. No party presented any evidence that SPS could construct generation resources sufficient to replace Harrington at a cheaper construction cost than conversion of the boilers to be powered by natural gas. Thus, the Commission's determination in this case—unlike the Turk Plant case—does not hinge on the precision of SPS's construction cost estimates. The issues that drove a cost cap to be imposed for the Turk Plant do not apply to this CCN Application, nor have they been applied to impose a cost cap for other CCN projects.

In fact, an analysis of Commission precedent related to cost caps in CCN proceedings demonstrates that such conditions are exceptional—perhaps unique. In response to Staff's new proposal, SPS undertook an analysis of all CCN proceedings immediately following the Turk decision as well as all CCN proceedings heard by the Commission over the past two years. In none of those CCN proceedings—over 100 cases—did the Commission again impose a hard cap on construction costs. The list of cases examined by SPS is included with this briefing at Attachment B.

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<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 7.

Importantly, if the Commission does not impose a “cost cap,” that does not mean that SPS costs in converting Harrington and building the pipeline are unlimited. As always, the final cost to convert Harrington will be evaluated in a later base rate case. Moreover, in a rate case, the Commission will have the benefit of actual facts to consider in evaluating whether a specific cost was reasonable or prudent. At this point in time, a cost cap would be speculative and, in effect, would function as a limitation on the Commission’s ability to consider all relevant circumstances in a rate case. There are no special circumstances in this CCN amendment proceeding that justify the Commission prematurely boxing itself into a corner on what can be recovered in a future base rate proceeding.

Additionally, here, the primary driver of construction costs is the construction of the proposed pipeline.<sup>33</sup> Thus, just as in a transmission line case, as SPS constructs the pipeline across many miles, it may encounter specific situations that will increase (or decrease) construction costs. Indeed, Staff recommends that SPS coordinate with landowners to implement minor deviations in any approved route.<sup>34</sup> Given the realities of constructing large utility facilities, the Commission does not routinely impose costs caps in CCN amendment cases. For instance, most recently, in Docket No. 52656, the Commission did not set any cost caps in approving AEP Texas’s requested transmission CCN amendment, which included a proposed transmission line with an estimated cost of approximately \$68 million.<sup>35</sup> That is comparable, relevant precedent for the pipeline costs

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<sup>33</sup> SPS Ex. 12 at Attachment ML-1 (The cost of the pipeline is estimated to be approximately \$57 million of the \$75 million overall project.).

<sup>34</sup> Staff Initial Brief at 18.

<sup>35</sup> *Application of AEP Texas Inc. to Amend Its Certificate of Convenience and Necessity for the Angstrom to Naismith Double-Circuit 345-KV Transmission Line in San Patricio County*, Docket No. 52656, Final Order at 30 (May 12, 2022).

at issue in this case.<sup>36</sup> The \$1.522 billion Turk Plant simply is not; nor has the Turk Plant decision been applied as precedent for other projects. In sum, consistent with Commission precedent applicable to the facts in this case, and consistent with the standard scope of a CCN amendment case, neither a hard or soft cap, which AXM recommends, is warranted and a cost cap should not be a condition of conversion.

**B. Response to AXM.**

**1. New gas generation units are not necessary to meet capacity or operational needs, would be over six times more expensive than conversion of Harrington, and the timeline for acquisition is infeasible.**

The unrefuted evidence shows that converting the Harrington units would cost only \$45 to \$52 million for Texas customers and conversion can be completed by the end of 2024 in compliance with the TCEQ Agreed Order.<sup>37</sup> Accordingly, there is simply no reason to ask customers to spend at least \$500 million, if not \$1 billion, on new gas generation units, which would not provide material operational benefits and would take years to bring online. (Notably, any inflationary pressures or cost increase issues associated with the conversion would apply equally to a new build project—the pipeline costs would apply to the new build, but there would be hundreds of millions of dollars more equipment and work that would be subject to those same issues.) Nevertheless, in its first argument in support of all new combustion turbine generators (“CTGs”), AXM focuses on SPS’s base-demand forecast as of Summer 2021 if SPS were to “retire and neither convert nor replace the Harrington units” to try to show there is a need for new CTGs now.<sup>38</sup> This premise is fatally flawed.

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<sup>36</sup> SPS Ex. 12 at Attachment ML-1.

<sup>37</sup> *Id.* at 18:5; *Id.* at 10:20-11:7.

<sup>38</sup> AXM Initial Brief at 4.

There is no practical scenario in which SPS would retire the Harrington units and not replace that lost capacity, so it does not make sense to use that as a starting point. Beyond that, AXM criticizes the ramp rate and annual capacity factors of the converted units.<sup>39</sup> That criticism ignores the evidence showing the current ramp rate of Harrington is expected to improve after conversion, and it will take less than two hours for the units to reach full capacity.<sup>40</sup> In addition, even with a lower capacity factor than the current Harrington coal units, the converted units will play a critical role in SPS's ability to meet its capacity needs and provide system reliability,<sup>41</sup> including during significant weather events. The evidence also shows the converted Harrington units will run more often and have a higher capacity factor than reflected in the economic modeling, which suppresses the capacity factor of thermal generation such as natural gas units.<sup>42</sup>

In terms of timing, it is not possible to permit and construct new CTGs quickly and certainly not in time to meet SPS's capacity and reliability needs. When there is not an interconnection backlog (which is currently approximately five years in the Southwest Power Pool), the minimum timeframe for commercial operation, especially for larger-sized generation, is approximately four years.<sup>43</sup> Given the vast cost difference between conversion or new CTGs, the fact that Harrington can operate in a way that meets SPS's capacity and system reliability needs, and the multi-year process of installing new CTGs,<sup>44</sup> AXM's proposal for new combustion units is infeasible and not the best option for customers.

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<sup>39</sup> *Id.*

<sup>40</sup> SPS Ex. 6 at 22:16-20.

<sup>41</sup> SPS Ex. 8 at 47:7-10.

<sup>42</sup> *Id.* at 47:11-49:16.

<sup>43</sup> Rebuttal Testimony of D. Dean Koujak, SPS Ex. 11 at 15:22-16:2.

<sup>44</sup> SPS Ex. 6 at 22:20-23:3; SPS Ex. 8 at 37:13-38:3.

Moreover, working backward from the end-of-2024 deadline, and considering the five-year interconnection backlog, SPS would have had to have been well into project development several years ago to construct new CTGs.<sup>45</sup> SPS would have needed to have developed the project earlier in time than any party has suggested could have been reasonable.

## **2. AXM's arguments obscure the true costs of new generation facilities.**

In its brief, AXM largely recites Mr. Scott Norwood's testimony that focuses on his assessment that the current Harrington units should be retired and replaced because, in SPS's modeling, there is a 1% difference in costs for the "Retire/Replace All" scenario compared to converting all units to natural gas.<sup>46</sup> It is easy for Mr. Norwood to characterize the modeling results for various scenarios as having an approximately 1% cost difference because SPS's total system costs are \$12 billion over a twenty-year period.<sup>47</sup> SPS already detailed in its Initial Brief the ways in which that mathematical assessment discounts the actual cost impact to customers, the cost-effectiveness of full conversion and real-world qualitative issues.<sup>48</sup> While it is not necessary to repeat those arguments in detail, it is worth noting that AXM did not conduct any economic modeling of its own and SPS's modeling clearly shows it is much more expensive to install new generation than it is to convert the Harrington units.

To this end, AXM focuses entirely on SPS's original EnCompass modeling results.<sup>49</sup> That evidence shows there is no question that the "Retire/Replace All" scenario in SPS's original modeling costs \$168 million (net present value ("NPV")) more than conversion in the near term

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<sup>45</sup> SPS Ex. 11 at 15:22-16:2.

<sup>46</sup> AXM Initial Brief at 14.

<sup>47</sup> *Id.* at 8.

<sup>48</sup> SPS Initial Brief at 17-24.

<sup>49</sup> AXM Initial Brief at 5-11.



(2022-2024) and \$123 million (NPV) more than conversion in the long term (2022-2041).<sup>50</sup> In addition, the “Retire/Replace All” scenario in SPS’s modeling actually includes a combination of new renewable energy and gas generation because EnCompass selects the most cost-effective combination of replacement resources.<sup>51</sup> Thus, the “Retire/Replace All” scenario that AXM addresses in its brief is the same as AXM’s position in name only—it does not actually consist of retiring all Harrington units and replacing them with only new CTGs.

Regarding the cost of new CTGs, Mr. Norwood did not perform any economic modeling, however, SPS did. Those results also show it is also more expensive to install all new CTGs than it is to convert the Harrington units to natural gas. This table summarizes the results of SPS’s original and revised modeling:

	2022-2024 (\$M)		2022-2041 (\$M)	
	Costs Compared to “Convert All”	NPV	Costs Compared to “Convert All”	NPV
Convert All Harrington Units (SPS Original Modeling) <sup>52</sup>	\$0	\$2,450	\$0	\$11,949
Retire/Replace All with New Gas and Renewables (SPS Original Modeling) <sup>53</sup>	\$168	\$2,618	\$123	\$12,072
Retire & Replace with New CTGs (AXM Position) <sup>54</sup>	\$160	\$2,610	\$119	\$12,068

The evidence also shows that the costs to install new CTGs reflected in the last row of the table above are likely understated for several reasons including that the analysis includes only four new 200 MW units rather than the five that are required to replace the full capacity of Harrington and

<sup>50</sup> SPS Ex. 7 at 32:1-2 (Table BRE-2). This data is for the planning load forecast, using base natural gas prices and \$400/kW for Interconnection Costs.

<sup>51</sup> SPS Ex. 8 at 40:20-41:3.

<sup>52</sup> SPS Ex. 7 at 32:1-2 (Table BRE-2).

<sup>53</sup> *Id.*

<sup>54</sup> SPS Ex. 8 at 42:6 (Table 2).

the costs of the new gas pipeline that would be required are not reflected in the new CTGs scenario.<sup>55</sup> This table—not the 1% cost difference among scenarios that AXM highlights over and over—summarizes the amounts customers would *actually pay*. AXM ignores the true cost impact to customers, but the Commission should not. Conversion of the existing units to natural gas is cost-effective and should be approved.

AXM also focuses on interconnection issues, both the costs included in SPS’s modeling and the 1,050 MW worth of interconnection rights SPS currently has at Harrington. The evidence shows that AXM’s assertion—that SPS uses “questionable high interconnection costs” and that doing so causes a “cost advantage” for conversion<sup>56</sup>—is not accurate. As an initial matter, Southwest Power Pool, not SPS, assigns interconnection costs and does so as part of a thorough study process.<sup>57</sup> In the current 2017-01 DISIS, Southwest Power Pool is assigning interconnection costs of \$934/kW.<sup>58</sup> SPS has no control over that number. Both Mr. Elsey and Mr. Koujak addressed this issue in direct testimony, and Mr. Elsey did so again in his rebuttal testimony.<sup>59</sup> Despite that clear evidence, AXM claims that SPS has not provided “concrete evidence” of that cost in the form of a binding bid or identifying another utility that has paid that amount.<sup>60</sup> That critique is misplaced and ignores the evidence SPS *has* provided.

In addition, SPS did not use the \$934/kW amount in its modeling, so there is no way the highest (and actual current level of) interconnection costs could have affected the economic results.

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<sup>55</sup> SPS Initial Brief at 21 (citing to SPS Ex. 8 at 41:6-19).

<sup>56</sup> AXM Initial Brief at 10.

<sup>57</sup> SPS Ex. 8 at 30:18-20.

<sup>58</sup> SPS Ex. 7 at 40:18-19.

<sup>59</sup> *Id.*; SPS Ex. 8 at 25:15-18; SPS Ex. 10 at Att. DDK-1 at 10-11.

<sup>60</sup> AXM Initial Brief at 10-11.

Instead, the evidence highlights the degree to which the interconnection cost sensitivities of \$200/kW, \$400/kW, and \$600/kW that SPS did model actually favor scenarios with new resources because they suppress the likely true cost of interconnection.<sup>61</sup> SPS used those amounts to “stress test” the cost-effectiveness of the proposed conversion project.<sup>62</sup> Even with those much lower interconnection cost assumptions, converting all three units was still more cost effective than retiring and replacing them with new generation—which is the exact opposite of AXM’s claim.<sup>63</sup> Had SPS actually modeled the full interconnection cost of \$934/kW, the scenarios involving new resources would be even more expensive as compared to full conversion.

Unsatisfied by (or ignoring) that evidence, AXM contends that a binding RFP would have created more certainty regarding interconnection costs. Again, the evidence does not support AXM’s position. If SPS issued a binding RFP, bidders could have (1) submitted the transmission network upgrade costs assigned to their project, or (2) taken a risk and submitted lower transmission network upgrade costs.<sup>64</sup> The first option is a “non-starter” because bidders know it is unlikely their project would be selected with high costs.<sup>65</sup> If bidders took the second option, it would be almost impossible for SPS to hold them to their lower-cost proposals if they were eventually assigned costs that are higher than what was included in the bid.<sup>66</sup>

Finally, to support new CTGs, AXM relies on SPS’s ability to maintain its existing 1,050 MW of interconnection rights at Harrington if new generation is installed within three years of

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<sup>61</sup> SPS Ex. 10 at Att. DDK-1 at 11.

<sup>62</sup> SPS Ex. 8 at 29:10-12.

<sup>63</sup> AXM Initial Brief at 10.

<sup>64</sup> SPS Ex. 8 at 28:19-21.

<sup>65</sup> *Id.* at 28:21-29:1.

<sup>66</sup> *Id.* at 29:1-4.

retiring the current units.<sup>67</sup> The evidence shows it is not possible to meet the three-year timeline with new CTGs. The minimum procurement time period for commercial operation for new, large generation units is approximately four years but without a backlog of interconnection requests.<sup>68</sup> The approximately five-year backlog for new interconnections in Southwest Power Pool would delay the commercial operation of new units even further.

**3. A binding RFP would have restricted the project and pricing information SPS needed to fully analyze the reasonableness of the natural gas conversion option for Harrington.**

AXM insists that SPS should have issued a binding RFP rather than the RFI it issued even though the evidence shows the RFI produced 18 different bids in a variety of geographic locations including interconnection at Harrington, with a variety of technologies (including new gas units, renewable energy and battery storage) and various pricing.<sup>69</sup> In doing so, AXM elevates *perceived certainty* over all other issues. The evidence, as addressed in SPS's Initial Brief, shows that a binding RFP—due to its formality, costs to participate, and firm commitment required from bidders—would actually *hinder* SPS's ability to obtain necessary information to fully analyze the Harrington conversion scenario.<sup>70</sup> The IE, Mr. Koujak, made clear multiple times during the hearing that an RFP would have limited the response from market participants whereas the RFI encouraged a thorough response.<sup>71</sup> To get to the heart of AXM's concerns over binding bids, Mr. Koujak explained that an RFI is designed for the utility to get necessary information about resource options and pricing, while an RFP would trigger significant costs for developers to

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<sup>67</sup> AXM Initial Brief at 11.

<sup>68</sup> SPS Ex. 11 at 15:22-16:2.

<sup>69</sup> AXM Initial Brief at 11-15; SPS Ex. 11 at 13:13-14:21; SPS Ex. 10 at Att. DDK-1 at 7-8.

<sup>70</sup> SPS Initial Brief at 12-15.

<sup>71</sup> Tr. at 156:22-157:6, 158:11-14, 159:3-12 (Koujak Redirect) (Apr. 26, 2022); SPS Ex. 11 at 13:16-14:21.

provide firm bids without producing “appreciably greater certainty around pricing.”<sup>72</sup> Contrary to AXM’s arguments, the evidence thoroughly shows an RFP would have frustrated the process of discovering available resource replacement options.

Unsatisfied by this evidence, AXM attacks the content of the RFI and the integrity of the process while relying on conclusory statements to try to bolster its critique.<sup>73</sup> Contrary to AXM’s assertions, the evidence shows the RFI was directed at replacement options for Harrington because it included replacement of all of SPS’s coal-fired units, which necessarily includes all the capacity at Harrington.<sup>74</sup> Moreover, the fact that the RFI referred to Tolk assets did not render it faulty for use in the Harrington analysis. Both the Tolk and Harrington analyses were conducted simultaneously, the Tolk and Harrington facilities are approximately the same size, and the retirement dates being evaluated are only a year apart.<sup>75</sup> In addition, the timing of the need for the replacement resources was also plainly stated in the RFI—which AXM acknowledges but takes issue with.<sup>76</sup> The RFI says SPS would evaluate various capacity replacement dates, ranging from a minimum net capacity need of approximately 500 MW beginning summer 2023 to a maximum net capacity need of approximately 2,200 MW beginning summer 2025 to a scenario in which all of SPS’s coal-burning units are retired or replaced before 2030.<sup>77</sup>

AXM erroneously concludes that the RFI simply was not clear enough for bidders to either respond, or if a bidder did respond, it was hard to do so with specificity.<sup>78</sup> The RFI itself shows

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<sup>72</sup> Tr. at 156:22-157:6, 158:11-14 (Koujak Redirect) (Apr. 26, 2022).

<sup>73</sup> AXM Initial Brief at 12-13.

<sup>74</sup> SPS Ex. 10 at 7:19-8:3.

<sup>75</sup> SPS Ex. 7 at 39:3-8.

<sup>76</sup> AXM Initial Brief at 12.

<sup>77</sup> SPS’s Response to AXM’s First Request for Information, AXM Ex. 2 at 4.

<sup>78</sup> AXM Initial Brief at 12-13.

that is simply not the case. The RFI included the following detailed qualifications and assumptions:<sup>79</sup>

- Expressions of interest should be from existing or proposed generating facilities within the SPS zone or delivered to the SPS zone from existing or proposed sites within the Southwest Power Pool territory.
- Expressions of interest should include a proposed commercial operation date (“COD”) if the submission is a future resource.
- Expressions of interest should include all capacity, energy, environmental attributes such as renewable energy credits, and other generation-related services.
- SPS is interested in the availability of capacity and associated energy resources for possible future-owned generation, Build-Own-Transfers, and Purchased Power Agreements (“PPA”).
- PPA durations should be 25 and 30 years.

SPS asked bidders to submit information necessary for SPS to model and evaluate the options including general information on the project and its location, contract options proposed, pricing, interconnection details and cost information, and performance and related technical specifications.<sup>80</sup> In the RFI, SPS also indicated it would analyze the project type, including technical characteristics; project site location for delivery within (or to) the SPS system; proposed COD for resource facilities responsive to this RFI; the impact a delay in the proposed COD would have on the pricing; pricing and quantity in megawatts; current interconnection status (if any) and anticipated extent of need for transmission system upgrades for the proposal; and the impact of available tax credits on proposed projects.<sup>81</sup>

In terms of process, SPS posted the RFI and related materials on its website and held a meeting during which bidders had the opportunity to ask SPS questions directly.<sup>82</sup> SPS also

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<sup>79</sup> AXM Ex. 2 at 5.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.* at 6; SPS Ex. 10 at Att. DDK-1 at 6.

received questions from bidders via email, which it answered and then posted responses on the website.<sup>83</sup> AXM expresses uncertainty around the content, timing, and usefulness of the information SPS received in response to the RFI. The evidence shows, however, that the RFI itself was clear and that bidders had multiple ways to communicate with SPS to obtain additional information, if necessary. These are just some of the reasons the IE was able to conclude that: (1) the design of the RFI was consistent with similar solicitations regarding its clarity and brevity; (2) SPS conducted the RFI process in a fair and complete fashion that aligned with the intent of the solicitation and overall process; and (3) SPS used a fair solicitation and evaluation process for the bids received.<sup>84</sup>

**4. It would be costly and unproductive for SPS to issue a binding RFP if conversion is approved.**

AXM also takes the position that SPS should be required to conduct a new competitive bid process through a binding RFP to obtain “accurate information regarding replacement-capacity alternatives” for the Harrington units if the ALJs recommend approval of the conversion.<sup>85</sup> The evidence shows this is a counterintuitive and costly idea that should be rejected. If conversion is approved, SPS will not need to find replacement resources for Harrington—the units will be converted to operate on natural gas and continue to provide SPS with 1,050 MW of firm and dispatchable capacity it needs. In addition, RFPs also require bidders to incur significant costs to develop a firm bid,<sup>86</sup> which is not necessary if SPS proceeds with conversion.

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<sup>83</sup> SPS Ex. 10 at Att. DDK-1 at 6.

<sup>84</sup> *Id.* at Att. DDK-1 at 5, 7, 16.

<sup>85</sup> AXM Initial Brief at 13-14.

<sup>86</sup> Tr. at 157:1-4 (Koujak Redirect) (Apr. 26, 2022).

To support its request that SPS be required to undergo a competitive bid process, AXM also identifies ways it believes SPS could delay conversion and still meet reliability and capacity needs.<sup>87</sup> The record evidence shows how short-sighted, misguided and costly AXM's position is:

- Delaying retirement of existing, old gas units to try to meet capacity needs before Harrington is converted will cost up to \$35 million for only 515 MW through 2030, and, even if it were feasible, there is not enough existing gas capacity for which SPS could defer retirement and still meet its resource needs.<sup>88</sup>
- Buying short-term capacity is not guaranteed, and the capacity SPS would need to meet its required planning reserve margin would be approximately \$20 million *per year*.<sup>89</sup>
- Additional time would not give SPS a chance to refine estimates of interconnection costs. Southwest Power Pool—not SPS—controls the timeline for new generation projects and determines interconnection costs.<sup>90</sup> In the pending 2017-01 DISIS, Southwest Power Pool assigned interconnection costs of \$934/kW.<sup>91</sup>
- Delay is not consistent with SPS's 2021 Integrated Resource Plan in New Mexico because it contemplates new gas-fired generation in the future *in addition to* all three Harrington units being converted to natural gas.<sup>92</sup>

For these reasons, AXM's position regarding a competitive bid process or binding RFP should be rejected.

### **C. Response to the Sierra Club.**

#### **1. The analysis conducted by SPS does not support the Sierra Club proposal to “retire one” unit at Harrington.**

SPS thoroughly addressed the flaws inherent to the Sierra Club's position in its initial brief, however, certain misstatements and mischaracterizations of the evidence merit a response. For instance, contrary to the Sierra Club's claim, the analysis conducted by SPS does not support the

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<sup>87</sup> AXM Initial Brief at 13-14.

<sup>88</sup> Rebuttal Testimony of Mark Lytal, SPS Ex. 13 at 8:21-9:2.

<sup>89</sup> SPS Ex. 8 at 44:19-45:1.

<sup>90</sup> *Id.* at 24:15-18.

<sup>91</sup> SPS Ex. 7 at 40:15-19.

<sup>92</sup> SPS Ex. 8 at 43:9-13.



retirement of one unit.<sup>93</sup> Rather, SPS’s 2021 economic analysis and the testimony of the IE demonstrate that conversion of all three Harrington units to operate on natural gas is a prudent and cost-effective solution to meet the NAAQS compliance requirements and preserve the capacity and other benefits of the units.<sup>94</sup> It is undisputed that SPS used assumptions in the EnCompass model that were intentionally advantageous for an early retirement of all three Harrington units to “stress test” whether early retirement could be economical, even under extremely favorable, unlikely and aggressive assumptions for replacement resources.<sup>95</sup> Using those favorable assumptions, SPS’s modeling did show that retiring one Harrington unit could potentially cost slightly less—\$5 million (NPV) over the 20-year period.<sup>96</sup> However, those potential savings would be more-than-offset by \$39 million (NPV) in additional costs in the short-term period of 2022-2024.<sup>97</sup>

In addition to ignoring the short-term costs of the “retire one” scenario, the Sierra Club asks the Commission to focus primarily on a table in the IE’s report that ranked the economic modeling results for the scenarios and sensitivities SPS modeled.<sup>98</sup> As it does throughout its initial brief, the Sierra Club’s argument ignores other relevant context contained in Mr. Koujak’s report. The table shows the favorable economic results of conversion of all three units (Scenario 2) or conversion of two units and retirement of one unit (Scenario 6). However, Mr. Koujak plainly stated in his report that “given the proximity of the results, the decision to convert the Harrington

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<sup>93</sup> Sierra Club Initial Brief at 8.

<sup>94</sup> SPS Ex. 7 at 6:23-26.

<sup>95</sup> SPS Ex. 8 at 32:4-9.

<sup>96</sup> *Id.* at 34:9-12.

<sup>97</sup> *Id.* at 34:12-14.

<sup>98</sup> Sierra Club Initial Brief at 12.

station partially or fully should carefully consider *other qualitative factors and optionality*” (emphasis added).<sup>99</sup> Mr. Koujak concluded “[t]he results of the analysis show that either Scenarios 2 or 6 can be deemed prudent paths forward.”<sup>100</sup> The Sierra Club also fails to acknowledge the very low incremental cost of approximately \$2.6 million for converting the third Harrington unit, which is possible because the same size pipeline is required to convert two or three units.<sup>101</sup> By converting the third unit, SPS is able to maintain the 340 MW of capacity at Unit 1 for the incredibly low cost of \$7.65/kW.<sup>102</sup>

In addition, it is undisputed that retiring or “mothballing” one unit puts SPS in a strained resource position and creates reliability risks that can be avoided by converting all three units, at very little incremental cost to customers.<sup>103</sup> And, contrary to the Sierra Club’s claim that SPS “could retire Unit 1 and still have a capacity surplus until 2027,”<sup>104</sup> the Sierra Club’s own witness had to admit at hearing (through a correction to her testimony that had to be drawn out in cross-examination) that SPS’s strained capacity position actually begins at the end of 2025 and into 2026.<sup>105</sup> SPS definitively supported its modeling approach and results, and no Intervenor witness identified any credible flaws in SPS’s modeling.

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<sup>99</sup> SPS Ex. 10 at Att. DDK-1 at 15.

<sup>100</sup> *Id.*

<sup>101</sup> SPS Ex. 12 at 11:12-13; SPS Ex. 8 at 9:6-9.

<sup>102</sup> SPS Ex. 8 at 10:12-13.

<sup>103</sup> SPS Ex. 13 at 10:5-18; SPS Initial Brief at 22.

<sup>104</sup> Sierra Club Initial Brief at 15.

<sup>105</sup> Tr. at 111:21-112:7 (Glick Cross) (Apr. 26, 2022).

**2. Unit 1 will run and will be needed after conversion.**

The testimony at hearing, also contrary to the Sierra Club's claim, was clear that Harrington Unit 1 will run after it is converted.<sup>106</sup> When the Southwest Power Pool day ahead market needs that capacity, it will be available and will be called upon.<sup>107</sup> And, while the Sierra Club suggests that it is unreasonable to pay \$5 million for a power plant that operates only "43 to 157 hours a year,"<sup>108</sup> the reality is that during those hours, customers will need the power supplied by Harrington most—in the dead heat of summer or during a winter weather event.<sup>109</sup> After conversion, Harrington will primarily be a peaking unit and peaking units naturally run when they are needed during peaks.

**3. SPS's modeling included reasonable values for future capital costs, FOM, battery storage and future environmental regulations.**

Further, while the Sierra Club criticizes SPS's modeling and alleges that SPS understated sustaining capital expenditures; assumed minimal reductions in pipeline and capital costs with retirement of the units; modeled the wrong fixed operation and maintenance ("FOM") cost after conversion; overstated the cost of renewables and battery storage and assuming the investment tax credit ("ITC") expires; and did not model a Carbon Dioxide ("CO<sub>2</sub>") price or alternative cost recovery assumptions for the undepreciated plant balance after units are retired,<sup>110</sup> SPS witnesses Ben R. Elsey, Mark Lytal, William A. Grant and Jeffrey L. West resoundingly rebutted each of those issues, explaining:

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<sup>106</sup> Tr. at 120:23-121:3 (Grant Cross), 122:18-125:6 (Grant Redirect) (Apr. 26, 2022).

<sup>107</sup> Tr. at 122:18-125:6 (Grant Redirect) (Apr. 26, 2022); SPS Ex. 6 at 22:6-23:6.

<sup>108</sup> Sierra Club Initial Brief at 17.

<sup>109</sup> SPS Ex. 6 at 23:3-6; SPS Ex. 13 at 7:6-21.

<sup>110</sup> Sierra Club Initial Brief at 12-15.

- SPS's sustaining capital expenditures estimates are based on SPS's experience with actual operations of plants that run similar to how Harrington is expected to run following conversion.<sup>111</sup>
- SPS's sustaining capital expenditure estimates are actual budgeted amounts that have been approved by SPS management—they are the real expectations of SPS.<sup>112</sup>
- Sierra Club witness Devi Glick's alternative sustaining capital expenditures amount overstates sustaining capital expenditures due to a flawed straight-averaging approach to calculate the amount based on scaling-up costs for Harrington's capacity and erroneously including costs for an outlier (Maddox Station) that significantly increases the straight average Ms. Glick relied on.<sup>113</sup>
- Regarding incremental reductions to ongoing capital expenditures, Ms. Glick incorrectly included the one-time cost of the new gas pipeline in her calculations of ongoing capital costs. After that issue is corrected, the calculations show that SPS reasonably assumed a 25% or 50% reduction in ongoing capital costs, respectively, when one or two units are retired.<sup>114</sup>
- Ms. Glick's complaint about the FOM cost stream for 2022-2024 is based on a misunderstanding of an SPS discovery response, and SPS determined it was not necessary to model more FOM for units that continued to operate on coal in the modeling because the costs of continued coal operation were so much more expensive compared to gas conversion.<sup>115</sup>
- SPS assumed all generic solar PV projects would continue to qualify for a 10% ITC. SPS did not model a higher, speculative ITC because it would not be reasonable to depend on that hypothetical when trying to evaluate the replacement options and related costs that currently exist.<sup>116</sup> Regarding battery energy storage system costs, it is logical to model them as a single cost stream that can be converted into \$/kW per month or per year because these resources are evaluated as a single levelized cost of energy and not individual components.<sup>117</sup>

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<sup>111</sup> SPS Ex. 13 at 12:5-7.

<sup>112</sup> *Id.* at 12:5-8.

<sup>113</sup> SPS Ex. 8 at 63:7-23.

<sup>114</sup> *Id.* at 67:10-19.

<sup>115</sup> *Id.* at 68:15-69:5.

<sup>116</sup> *Id.* at 56:8-9.

<sup>117</sup> *Id.* at 54:1-16, 56:20-57:10.

- Regarding a CO<sub>2</sub> cost, there is not currently a requirement for SPS to pay a cost adder for CO<sub>2</sub> emissions, nor is there any pending policy that would require such a cost.<sup>118</sup>
- Potential “Good Neighbor” compliance costs associated with a federal implementation plan are only proposed rules that may be changed after SPS and other industry groups participate in the rulemaking. Moreover, if the rule goes into effect without any changes, SPS would work to secure allowances through the Group 3 allowance trading program listed in the proposed rule.<sup>119</sup>

In sum, SPS’s modeling was shown to be correct and reliable. The Sierra Club’s modeling, on the other hand, was determined to be so unreliable that Ms. Glick removed it from her testimony when she took the stand to testify.<sup>120</sup>

#### **4. The Sierra Club’s reference to a 2019 Transmission Planning Study is not reliable or relevant.**

With a similar mischaracterization of the record evidence, the Sierra Club references a 2019 Transmission Planning Study, when attacking the need for Unit 1. The referenced 2019 Transmission Planning Study, however, assumed hypothetical new generation “without the required transmission system upgrades needed for interconnection.”<sup>121</sup> Thus, in effect, the study called for SPS to spend approximately \$190 million on a new transmission line, if Harrington were retired<sup>122</sup>—an amount that far exceeds the cost of conversion.<sup>123</sup> In contrast, the modeling SPS presented in this case included transmission network upgrade costs and therefore produced much more realistic results on which to judge the cost savings of converting Harrington to natural gas as opposed to other resource alternatives.<sup>124</sup> Again, the Sierra Club’s initial brief fails to recognize

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<sup>118</sup> SPS Ex. 8 at 70:11-71:10.

<sup>119</sup> SPS Ex. 16 at 9:11-10:2.

<sup>120</sup> Tr. at 78:12-16 (Glick Direct) (Apr. 26, 2022).

<sup>121</sup> Sierra Club Ex. 1 at Att. DG-8 at 2.

<sup>122</sup> SPS Ex. 6 at 20:13-21:1.

<sup>123</sup> *Id.* at 21:1-2.

<sup>124</sup> SPS Ex. 8 at 28: 4-12.

portions of the evidentiary record that are contrary to their contentions. Mr. Grant testified as to the limitations of the 2019 Transmission Planning Study and its lack of relevance to the Commission's decision here.<sup>125</sup> SPS's Encompass modeling presented in this case is the only reliable modeling presented by the parties and that modeling supports conversion of all three Harrington units to natural gas.

**5. SPS has been a good steward of Harrington and customers have benefitted.**

In similar fashion, SPS should not be punished for extending the life of Harrington. The Harrington units were originally anticipated to operate for 35 years, and the plant has now already been in operation for over 40 years and may, in fact, reach 60 years of operation, if SPS's request for conversion is approved.<sup>126</sup> SPS has been a good steward of the Harrington assets for the benefit of its customers, has agreed to depreciation rates that lowered customers' rates resulting from the extended service lives, and should not be punished for those good actions. It is also not true that SPS "continued to invest substantial costs in the Harrington generating stations despite numerous red flags."<sup>127</sup> In fact, the evidence demonstrates that SPS customers benefitted substantially from the operation of the Harrington units. In 2021 alone, SPS customers benefitted from Harrington's operation by \$388.7 million—more than the undepreciated balance of all the units in one year alone.<sup>128</sup> Simply put, there is no "unfairness" to customers in converting all three units at

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<sup>125</sup> SPS Ex. 6 at 20:13-21:2.

<sup>126</sup> *Id.* at 18:18-19:1.

<sup>127</sup> Sierra Club Initial Brief at 19.

<sup>128</sup> SPS Ex. 6 at 17:7-13.

Harrington.<sup>129</sup> Harrington has been well and prudently maintained and can only provide additional reliability benefits to customers if full conversion is approved.

**6. The Sierra Club's new recommendation related to future costs at Harrington is not reasonable.**

Finally, the Sierra Club suggestions that any annual capital costs at Harrington in excess of \$3.75 million should be “presumptively unreasonable” and that “New Mexico customers”<sup>130</sup> should not be required to pay for future costs associated with carbon or Clean Air Act regulation, are both not reasonable. One, both of these suggestions are put forth by the Sierra Club for the first time, in briefing. The Sierra Club’s initial brief contains no citations to the record on these new recommendations because there is no record support for them. Along the same lines, the Sierra Club cannot cite to any Commission precedent where the Commission has found an amount to be “presumptively unreasonable.” More substantively, the evidence demonstrates that SPS’s estimate of future capital expenditures is a reasonable *estimate* based on actual amounts budgeted by SPS’s management.<sup>131</sup> Actual capital costs at Harrington and/or future environmental costs (in the unlikely event they might occur) will all be subject to prudence reviews in future rate proceedings. It is those proceedings, when the Commission has a record in front of it relating to those issues, where decisions should be made. Not here.

**D. Response to OPUC.**

The Office of Public Utility Counsel (“OPUC”) supports the conversion of Harrington, but proposes conditions related to depreciation, accelerated depreciation, and decommissioning

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<sup>129</sup> Sierra Club Initial Brief at 19-20.

<sup>130</sup> This appears to be an error in Sierra Club’s Initial Brief. Presumably, the brief intends to refer to Texas customers.

<sup>131</sup> SPS Ex. 13 at 12:2-15:6.

costs.<sup>132</sup> Those conditions are premature and unnecessary for the reasons SPS addressed in its Initial Brief, which will not be repeated here.<sup>133</sup> However, as noted above, Staff also agrees that converting Harrington is the best option and that a determination of the depreciation rate for the pipeline should not occur until a base rate proceeding, consistent with Commission precedent.<sup>134</sup> A rate case, not this CCN amendment proceeding, is the appropriate forum for dealing with depreciation issues.

With respect to the remainder of OPUC's initial brief, OPUC continues to contend that SPS's modeling of the installation of environmental controls was unnecessary.<sup>135</sup> The evidence demonstrates otherwise. It is undisputed that SPS modeled the installation of environmental controls in the initial Harrington analysis in 2019 prior to the TCEQ Agreed Order in 2020 that requires cessation of coal operations at Harrington.<sup>136</sup> In the interest of being thorough, considering a wide range of options, and continuing to test the economics of the conversion to natural gas, SPS updated the modeling for environmental controls in its 2021 Harrington Analysis. Even if the environmental control options were not possible any longer, the updated analysis demonstrated that conversion continued to be the most cost-effective option over the other scenarios involving the retirement of one, two or all three units.<sup>137</sup> In fact, given the cost of environmental controls—between \$200 and \$400 million—that option was likely to be more expensive than conversion in both analyses. SPS's continued thoroughness in its second analysis,

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<sup>132</sup> OPUC Initial Brief at 19.

<sup>133</sup> SPS Initial Brief at 30-32.

<sup>134</sup> Staff Initial Brief at 13-14.

<sup>135</sup> OPUC Initial Brief at 14.

<sup>136</sup> SPS Ex. 7 at 32:1-2 (Table BRE-2), 33:5-8.

<sup>137</sup> *Id.* at 32:1-2 (Table BRE-2).

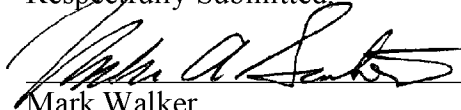


however, which again tested conversion against any conceivable alternative, was reasonable and validated the results of the original analysis. OPUC's concern as to SPS's economic modeling of environmental options is misplaced.

### **III. CONCLUSION**

For the reasons discussed above, the evidence presented at hearing fully supports SPS's request to amend its CCN without conditions so that SPS can convert all three units at Harrington from coal generation to natural gas generation. SPS respectfully requests that the ALJs issue a Proposal for Decision that recommends approval of that amendment and authorization for SPS to construct, own, and operate a new pipeline to supply natural gas to Harrington.

Respectfully Submitted



Mark Walker

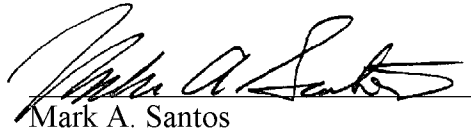
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**ATTORNEYS FOR SOUTHWESTERN  
PUBLIC SERVICE COMPANY**

**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 25, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Mark A. Santos

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

<b>APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONVERT HARRINGTON GENERATING STATION FROM COAL TO NATURAL GAS</b>	§ § § § § § §	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**PROPOSED ORDER**

This Order addresses the application of Southwestern Public Service Company (SPS) to amend its certificate of convenience and necessity (CCN) number 30153 to convert the three coal-powered steam turbine units at the Harrington Generating Station (Harrington) from coal generation to natural gas. The Commission approves SPS's application as provided in this Order.

**I. Findings of Fact**

The Commission adopts the following findings of fact.

**Applicant**

1. SPS is incorporated under the laws of the State of New Mexico and is a wholly owned subsidiary of Xcel Energy, Inc.
2. SPS is a fully integrated utility that owns equipment and facilities to generate, transmit, distribute, and sell electricity in Texas and New Mexico.
3. In Texas, SPS is authorized under CCN number 30153 to provide service to the public and to provide retail electric utility service within its certificated service area.

**Application**

4. On August 27, 2021, SPS filed an application to amend its CCN to convert all three generation units at Harrington from coal generation to natural gas generation. The application additionally requests the Commission authorize SPS to construct, own, and operate a new pipeline to supply natural gas to Harrington.
5. Harrington is located north of Amarillo in Potter County, Texas.
6. Harrington consists of three coal-powered steam turbine units with a total net capacity of 1,050 megawatts (MW).
7. All three of Harrington's boilers were designed to burn both coal and natural gas.

8. On October 5, 2021, Commission Staff recommended that the application be deemed administratively complete.
9. No party challenged the sufficiency of the application.

**Notice**

10. On November 4, 2021, SPS filed the affidavit of Michael K. Knapp, case specialist with SPS, attesting that notice of the application was provided on August 27, 2021: (1) by email to all parties of record in SPS's most recent rate case, Docket No. 51802;<sup>1</sup> and (2) by mail to the City of Amarillo, the county judge of Potter County, the Texas Parks and Wildlife Department (TPWD), and all directly affected landowners. Additionally, SPS filed a publishers' affidavits attesting that notice was published as follows: (1) in the Amarillo Globe-News, a newspaper of general circulation in Potter County, on October 14, 2021; (2) in the Booker News, a newspaper of general circulation in Lipscomb County, on October 14, 2021; (3) in the Caprock Courier, a newspaper of general circulation in Briscoe, Cottle, Hall, King, and Motley counties, on October 14, 2021; (4) in the County Star-News, a newspaper of general circulation in Wheeler County, on October 14, 2021; (5) in the Dalhart Texan, a newspaper of general circulation in Dallam and Hartley counties, on October 15, 2021; (6) in the Miami Chief, a newspaper of general circulation in Roberts County, on September 30 and October 7, 14, and 21, 2021; (7) in the Muleshoe Journal, a newspaper of general circulation in Bailey County, on October 14, 2021; (8) in the Pampa News, a newspaper of general circulation in Gray County, on October 16, 2021; and (9) in the Sherman County Gazette, a newspaper of general circulation in Sherman County, on October 14, 2021. On November 23, 2021, SPS filed a publisher's affidavit attesting that notice was published in the Lubbock Avalanche-Journal, a newspaper of general circulation in Cochran, Crosby, Dawson, Floyd, Gaines, Garza, Hale, Hockley, Lamb, Lubbock, Lynn, Motley, Terry, and Yoakum counties, on October 15, 2021.
11. In Order No. 7 issued on November 29, 2021, the Administrative Law Judge (ALJ) found SPS's notice sufficient.

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<sup>1</sup> *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 51802, Final Order (May 20, 2022).

**Public Input**

12. SPS hosted a live virtual public meeting on April 29, 2021 via Zoom in lieu of an in-person meeting.
13. All impacted landowners were invited to the public meeting and were provided an overview map of the proposed pipeline routes, a questionnaire, a landowner's bill of rights, a permission to survey form, a brochure from the Commission with information about CCN amendment proceedings, a comment form, and instructions on how to access the live virtual public meeting.
14. Four impacted landowners attended the virtual public meeting.
15. SPS did not receive any questionnaires or written comments from impacted landowners or other members of the public.

**Intervenors**

16. Adobe Creek, Ltd., Windtree Manor, Ltd., Texas Industrial Energy Consumers (TIEC), Sierra Club, the Alliance of Xcel Municipalities (AXM), and the Office of Public Utility Counsel (OPUC) filed motions to intervene in this docket.
17. In Order No. 2 issued on September 21, 2021, the ALJ granted the motions to intervene of Adobe Creek, Ltd., Windtree Manor, Ltd., and TIEC.
18. In Order No. 5 issued on October 21, 2021, the ALJ granted the motion to intervene of Sierra Club.
19. In Order No. 8 issued on December 3, 2021, the ALJ granted the motion to intervene of AXM.
20. In SOAH Order No. 2 issued on January 5, 2022, the ALJ granted the motion to intervene of OPUC.

**Statements of Position and Testimony**

21. On August 27, 2021 SPS filed the direct testimonies of William A. Grant, Vice President, Rates and Regulatory Affairs; Jeffrey L. West, Senior Director in Environmental Services; John M. Goodenough, Manager, Energy Forecasting; Ben R. Elsey, Manager Resource Planning & Bidding; Mark Lytal, Director, Regional Capital Projects; D. Dean Koujak, Principal in the Energy Practice for Charles River Associates; and Anastacia Santos,

Project Manager II in the Environmental Division of POWER Engineers, Inc. These direct testimonies were admitted at the hearing.

22. On March 25, 2022, OPUC filed the direct testimony of Karl Nalepa. This direct testimony was admitted at the hearing.
23. On March 25, 2022, AXM filed the direct testimony of Scott Norwood. This direct testimony was admitted at the hearing.
24. On March 25, 2022, Sierra Club filed the direct testimony of Devi Glick. This direct testimony was admitted at the hearing.
25. On April 5, 2022, Commission Staff filed the direct testimony of John Poole. This direct testimony was admitted at the hearing.
26. On April 13, 2022, SPS filed the rebuttal testimonies of William A. Grant, Ben R. Elsey, D. Dean Koujak, Mark Lytal, Jeffrey L. West, and Anastacia Santos. This rebuttal testimony was admitted at the hearing.
27. On April 21, 2022, SPS filed an errata to the rebuttal testimony of William A. Grant. This rebuttal testimony was admitted at the hearing.
28. On April 26, 2022, Sierra Club filed an errata to the direct testimony of Devi Glick. This rebuttal testimony was admitted at the hearing.
29. On April 20, 2022, TIEC filed a statement of position.
30. On April 21, 2022, Commission Staff filed a statement of position.

**Referral to SOAH for Hearing**

31. Commission Staff requested for referral to the State Office of Administrative Hearings (SOAH) on October 5 and 26, 2021.
32. On December 13, 2021, the Commission referred this docket to SOAH and filed a preliminary order identifying the issues to be addressed in this proceeding.
33. On January 4, 2022, SOAH convened a prehearing conference in this docket by videoconference, at which time a procedural schedule was discussed.
34. In SOAH Order No. 3 filed on January 24, 2022, the SOAH ALJs scheduled the hearing on the merits to begin on April 26, 2022.
35. On April 26, 2022, the hearing on the merits convened before SOAH ALJs Cassandra Quin and Ross Henderson by video conference. The following parties made appearances

through their legal counsel and participated in the hearing on the merits: SPS, Commission Staff, AXM, OPUC, Sierra Club, and TIEC.

36. Neither Adobe Creek, Ltd., nor Windtree Manor, Ltd. participated in the hearing on the merits.

37. The record closed on May 25, 2022, with the filing of the parties' post-hearing reply briefs.

38. On \_\_\_\_\_, the SOAH ALJs filed a proposal for decision.

**Adequacy of Existing Service and Need for Additional Service**

39. In Texas Commission on Environmental Quality (TCEQ) Docket No. 2020-0982-MIS, SPS entered into an agreed order with the TCEQ to cease coal operations at Harrington by January 1, 2025 in order to avoid non-compliance with federal National Ambient Air Quality Standards (NAAQS).

40. SPS is a member of the Southwest Power Pool (SPP).

41. SPP requires that each member in SPP have a planning resource margin of at least 12% of its peak demand forecast.

42. If SPS retired Harrington on or before January 1, 2025 rather than converting Harrington to be powered by natural gas, SPS would not meet its planning reserve margin requirements in SPP, unless SPS secured replacement generation resources.

43. SPS modeled different scenarios under a variety of conditions to determine the cost of replacement generation resources under both resource planning and financial planning forecasts.

44. SPS modeled the conversion of all three Harrington Units to operate on natural gas.

45. SPS modeled the retirement of all three Harrington Units and replacement of Harrington's generation capacity with replacement resources.

46. In evaluating replacement resources, SPS considered the construction of new natural gas combustion turbines.

47. In evaluating replacement resources, SPS also considered proposals from 18 companies that proposed eight key technologies: solar, solar plus storage, wind, gravitational energy storage, combined cycle plus hydrogen storage, liquid air energy storage, flow energy storage, and compressed air batteries.

48. SPS modeled the installation of Dry Sorbent Injection (DSI) and Spray Dry Absorber (SDA) on the Harrington Units to avoid non-compliance with NAAQS.
49. SPS modeled the retirement of Harrington Units 1 and 2 and conversion of Harrington Unit 3 to operate on natural gas.
50. SPS modeled the Retirement of Unit 1 and conversion of Harrington Units 2 and 3 to operate on natural gas.
51. SPS's modeling was reviewed and approved by an independent evaluator.
52. SPS's modeling demonstrates that the most feasible and cost-effective option for maintaining the necessary generation capacity provided by Harrington is conversion of all three boilers from coal to natural gas.
53. SPS demonstrated that entering into a firm fuel contract in lieu of building a new pipeline was not feasible because the existing natural gas pipeline serving Harrington is not large enough to serve the fuel needs of the converted boilers.
54. SPS demonstrated that it used reasonable methods to develop fuel price forecasts used in its modeling.
55. The conversion of all three Harrington units is a prudent alternative to meet the need to maintain necessary capacity.

**Effect of Granting the CCN on SPS and Other Electric Utilities**

56. SPS's conversion of Harrington will not likely have any adverse impacts on other electric utilities in Texas.
57. After the conversion of Harrington, the same amount of firm and dispatchable generation will be available at the same location.
58. Conversion of Harrington will allow SPS to maintain compliance with SPP's reserve margin requirements.
59. Conversion of Harrington will allow SPS to maintain voltage stabilization provided by the Harrington Units, which positively impacts the overall reliability of SPP and benefits SPP members.
60. If conversion of Harrington is not approved, SPS would need to secure replacement resources for Harrington at a higher cost than conversion and will need to invest in voltage stabilization.



61. If conversion of Harrington is not approved, it is likely that energy prices, congestion charges, and reliability must-run requirements would be negatively impacted.
62. No party argued or presented evidence that the proposed conversion will adversely impact SPS or other electric utilities.

**Pipeline Routes**

63. The application included four alternative routes.
64. The four routes range in length from approximately 19.01 to 21.81 miles.
65. Pipeline Route 2 is the shortest alternative route at 19.01 miles.
66. None of the proposed pipeline routes have habitable structures within 500 feet of the centerline.
67. All alternative routes are viable and constructible.

**Route Adequacy**

68. No party filed testimony or a position statement challenging whether the application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.
69. Given the location of existing pipeline interconnect points and the nature of the area where the alternatives are located, the application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation.

**Effect on Customers, the Community, and the Environment**

70. The conversion of all three Harrington Units is the most cost-effective alternative for SPS to meet the minimum reserve requirements in SPP after weighing all qualitative and quantitative factors.
71. If conversion of Harrington is not approved, SPS would need to secure replacement resources at a higher cost, which would negatively impact customers through higher bills.
72. Conversion of Harrington from coal to natural gas will positively impact the environment through improved emissions and air quality.
73. Construction activities associated with the pipeline are likely to positively impact the community through a short-term increase to economic activities.

74. Continued operation of the pipeline and Harrington post-conversion is unlikely to have any significant adverse impact on the community because the pipeline will be below ground and Harrington will continue to operate as a power plant.
75. The environmental assessment performed by POWER analyzed the possible effects of the pipeline facilities on numerous environmental factors.
76. Review of information from TPWD and United States Fish and Wildlife Service (USFWS) indicates no federally-listed or state-listed plant or animal species within the study area for the potential pipeline routes.
77. It is unlikely that the pipeline facilities will have significant adverse impacts on populations of any federally listed endangered or threatened species.
78. It is unlikely that the pipeline approved by this order will have any significant adverse impacts on the physiographic or geologic features and resources of the area.
79. It is unlikely that construction, operation, and maintenance of the pipeline approved by this order will adversely affect groundwater resources within the study area.
80. The pipeline is anticipated to have short-term minimal impacts to soil, water, and ecological resources. Most of the impacts will be during construction.
81. The impacts to vegetation will result from clearing and maintain right-of-way for the construction, operation, and maintenance of the pipeline.
82. Pipeline Route 2, the route approved by this order, crosses 0.5 miles of upland grassland, 6.7 miles of upland brushland, and 11.8 miles of bottomland, brushland or shrubland.
83. Each of the proposed pipeline routes cross 0 miles of critical habitat.
84. Each of the proposed pipeline routes cross 0 miles of sensitive vegetation communities.
85. Each of the proposed pipeline routes cross 0 miles of wetland.
86. SPS can construct the pipeline facilities in an ecologically sensitive manner on any proposed routes.
87. It is appropriate for SPS to employ erosion control during initial construction of the pipeline. SPS indicated that prior to construction it would develop a Stormwater Pollution Prevention Plan (SWPPP) to minimize potential impacts associated with soil erosion, compaction, and off-ROW sedimentation. The SWPPP will also establish criteria for

mitigating soil compaction and revegetation to ensure adequate soil stabilization during construction and operation.

88. After Commission approval of a route, field surveys may be performed, if necessary, to identify potential suitable habitat for federally and state-listed animal species and determine the need for any additional species-specific surveys. If potential suitable habitat is identified or federally or state-listed animal species are observed during a field survey of the Commission-approved route, SPS may further work with the TPWD and USFWS to determine avoidance or mitigation strategies.
89. SPS will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.
90. It is appropriate for SPS to minimize the amount of flora and fauna disturbed during construction of the pipeline facilities.
91. It is appropriate for SPS to re-vegetate cleared and disturbed areas using native species consistent with SPS's standard vegetation management practices and operational needs.
92. It is appropriate for SPS to avoid, to the maximum extent possible, causing adverse environmental effects on sensitive plant and animal species and their habitats.
93. It is appropriate for SPS to 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.
94. It is appropriate for SPS to implement erosion-control measures and return each affected landowner's property to its original contours and grades unless the landowners agree otherwise. However, it is not appropriate for SPS to restore original contours and grades where different contours or grades are necessary to ensure the safe operation and maintenance of the pipeline.
95. It is appropriate for SPS to exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. The use of chemical herbicides to control vegetation within rights-of-way is required to comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agricultural regulations.

96. It is appropriate for SPS to use best management practices to minimize potential harm that the approved route presents to any migratory birds and threatened or endangered species.
97. It is unlikely that the presence of pipeline facilities below ground along any of the proposed routes will adversely affect the environmental integrity of the surrounding landscape.
98. All of the routes, including Pipeline Route 2, are environmentally acceptable.

**Recreational and Park Areas; Historical and Aesthetic Values**

99. There are no parks and recreation areas impacted by the proposed conversion of Harrington or any of the proposed pipeline routes.
100. No National Register of Historic Places properties, State Antiquities Landmarks or Official Texas Historical Markers located in the area will be impacted by the proposed conversion of Harrington or any of the proposed pipeline routes.
101. The landscape within the study area includes residential developments, oil and gas developments, wind farms, and already existing pipelines. Once construction is complete, SPS's proposed pipeline will be below ground.
102. No party challenged the proposed conversion of Harrington or the proposed pipeline on the grounds of adverse impacts to recreational and park areas, historical values, or aesthetic values.
103. The conversion of Harrington and the construction of the pipeline will not adversely affect recreational and park areas, historical values, or aesthetic values.

**Renewable Energy**

104. The goal in PURA § 39.904(a) for 10,000 MW of renewable capacity to be installed in Texas by January 1, 2025 has already been met.
105. The proposed conversion of Harrington and construction of the new pipeline cannot adversely affect the goal for renewable energy development established in PURA § 39.904(a).

**Reliability**

106. Conversion of Harrington will positively affect the reliability in the SPP transmission system by allowing SPS to meet SPP's minimum reserve requirements.
107. Conversion of Harrington will also allow SPS to maintain the voltage support capabilities of Harrington.

**Texas Parks and Wildlife Department**

108. TPWD's wildlife habitat assessment program provided information and recommendations regarding the preliminary study area for the proposed pipeline to POWER Engineers on June 1, 2021.
109. On October 28, 2021, a letter from TPWD was filed in this proceeding making various comments and recommendations regarding the proposed pipeline facilities.
110. TPWD included comments and recommendations regarding the pipeline facilities and potential impacts on sensitive fish and wildlife resources, habitats or other sensitive natural resources. The letter includes concerns, comments, and recommendations that are often provided by TPWD regarding CCN amendment applications before the Commission involving the construction of new utility facilities. POWER Engineers and SPS have already taken into consideration several of the recommendations offered by TPWD as SPS follows many of the recommendations in the TPWD Letter relating to proper use and placement of sediment-control fencing, avoiding impacts to water resources, avoiding potential impacts to endangered species, and re-vegetation of disturbed areas where appropriate.
111. TPWD's comment letter identified Route 2 as the route that best minimizes adverse impacts on natural resources.
112. SPS will implement mitigation measures and best management practices set forth in the environmental assessment, those included in the recommendations of the Commission's engineering staff, and those typically included in the Commission's final orders in CCN amendment applications involving the construction of new utility facilities. The mitigation measures and best management practices recommended by Commission Staff, combined with the mitigation practices set out in the environmental assessment, will minimize the impact of pipeline construction on wildlife, minimizing disruption of flora and fauna, and revegetating with native species following construction.
113. SPS will use avoidance and mitigation procedures to comply with laws protecting federally listed species.

- 114. SPS will revegetate disturbed areas to the extent that revegetation does not interfere with the normal operation and maintenance of the pipeline.
- 115. SPS's standard vegetation-removal, construction, and maintenance practices adequately mitigate concerns expressed by the TPWD.
- 116. SPS will use appropriate avian protection procedures.
- 117. SPS will comply with all environmental laws and regulations, including those governing threatened and endangered species.
- 118. SPS will cooperate with the USFWS and the TPWD if threatened or endangered species' habitats are identified during field surveys.
- 119. The standard mitigation requirements included in the ordering paragraphs in this Order, coupled with SPS's current practices, are reasonable measures for a utility to undertake when constructing a pipeline and are sufficient to address the TPWD's comments and recommendations.

**Other Regulatory Approvals**

- 120. SPS obtained regulatory approval from the New Mexico Public Regulation Commission (NMPRC) for the conversion of Harrington on April 27, 2022.
- 121. NMPRC's approval of the conversion of Harrington included minor reporting conditions: (1) SPS must file with the NMPRC all construction reports; (2) SPS must file with the NMPRC actual costs of the project, including AFUDC amounts within one month of becoming available; (3) SPS must file with the NMPRC notice of Harrington's commercial operation date post-conversion; and (4) SPS must file with the NMPRC a notice when fuel costs shall first be included in SPS's Fuel and Purchased Power Cost Adjustment Clause.
- 122. Upon approval of this CCN amendment application, SPS will seek necessary permits from the Railroad Commission of Texas, including an amendment to its T-4 permit to allow for operation of the proposed pipeline, and SPS will file a Form PS-48 at least 60 days before beginning construction on the pipeline.
- 123. SPS has made no other commitments to any other regulatory authorities regarding the proposed project.

**Permits**

124. Before beginning construction of the pipeline facilities approved by this Order, SPS will obtain any necessary permits from the Texas Department of Transportation or any other applicable state agency if the facilities cross state-owned or -maintained properties, roads, or highways.
125. Before beginning construction of the pipeline facilities approved by this Order, SPS will obtain a miscellaneous easement from the General Land Office if the pipeline facilities cross any state-owned riverbed or navigable stream.
126. Before beginning construction of the pipeline facilities approved by this Order, SPS will obtain any necessary permits or clearances from federal, state, or local authorities.
127. It is appropriate for SPS, before commencing construction, to obtain a general permit to discharge under the Texas pollutant discharge elimination system for stormwater discharges because of construction activities as required by the TCEQ. In addition, it is appropriate for SPS, before commencing construction, to prepare the necessary stormwater pollution prevention plan, to submit a notice of intent to the TCEQ, and to comply with all other applicable requirements of the general permit.
128. It is appropriate for SPS to conduct a filed assessment of the approved route before beginning construction of the pipeline facilities approved by this Order to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the pipeline. As a result of these assessments, SPS will identify all necessary permits from Potter County and federal and state agencies. SPS will comply with the relevant permit conditions during construction and operation of the pipeline facilities along the approved route.

**Limitation of Authority**

129. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.
130. Seven years is a reasonable and appropriate limit to place on the authority granted in this Order for SPS to convert Harrington to natural gas and construct the pipeline.

## **II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this application under PURA §§ 14.101, 32.001, 37.053, 37.056, and 37.058.
2. SPS is an electric utility as defined in PURA §§ 11.004 and 31.002(6).
3. SPS is not a participant in the retail competition market under PURA, Chapter 39, Subchapter I.
4. SPP is a regional transmission organization approved by the Federal Energy Regulatory Commission that meets the requirements of PURA § 39.151 as an independent system operator.
5. SPS must obtain the approval of the Commission to convert Harrington generating units from coal to natural gas, and to build, own, and operate the pipeline supplying natural gas to the converted Harrington station, and to provide service to the public from the converted Harrington station.
6. SOAH exercised jurisdiction over the proceeding under PURA § 14.053 and Texas Government Code §§ 2001.058, 2003.021, and 2003.049.
7. The application is sufficient under 16 TAC § 22.75(d).
8. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,<sup>2</sup> and the Commission's rules.
9. SPS provided notice of the application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
10. There is good cause under 16 TAC § 22.52(b) to grant an exception to the requirements of 16 TAC § 22.52(a)(4) for SPS to have held an online public meeting instead of an in-person public meeting.
11. The hearing on the merits was set, and notice of the hearing was provided, in compliance with PURA § 37.054 and Texas Government Code §§ 2001.05 through 2001.052.

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<sup>2</sup> Tex. Gov't Code §§ 2001.001—903.



12. The conversion of all three Harrington units and the construction and operation of the pipeline along Route 2 are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056 and 17 TAC § 25.101.

### **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission adopts the proposal for decision, including findings of fact and conclusions of law.
2. The Commission amends SPS's CCN No. 30153 to allow SPS to convert all three Harrington generating units from coal-powered to be powered by natural gas.
3. The Commission amends SPS's CCN No. 30153 to allow SPS to build, own, and operate a pipeline along Route 2 for supplying natural gas to the converted Harrington station.
4. SPS must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the pipeline facilities and the conversion of Harrington station approved by this Order, and if SPS fails to obtain any such permit, license, plan, or permission, it must notify the Commission immediately.
5. SPS must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and the USFWS), obtain all necessary environmental permits, and comply with the relevant conditions before construction and during construction and operation of the pipeline facilities approved by this Order.
6. If SPS encounters any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and SPS must report the discovery to, and act as directed by the Texas Historical Commission.
7. Before beginning construction, SPS must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
8. SPS must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species that is presented by the approved route.

9. 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.
10. SPS must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way. Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture's regulations.
11. SPS must minimize the amount of flora and fauna disturbed during construction of the pipeline facilities, except to the extent necessary to establish appropriate right-of-way clearance for the pipeline facilities. In addition, SPS must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, SPS must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the TPWD and the USFWS.
12. SPS must implement erosion-control measures as appropriate. Erosion-control measures may include inspection of the rights-of-way before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the effect of vehicular traffic over the areas. 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. However, the Commission does not require SPS to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the pipeline facilities or the safe operation and maintenance of the pipeline facilities.
13. SPS must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the pipeline facilities. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the pipeline facilities in accordance with 16 TAC § 22.52(a)(3) and have agreed to the minor deviation.

14. The Commission does not permit SPS to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending its CCN.
15. SPS must include the pipeline facilities approved by this Order on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, SPS must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when SPS identifies all charges.
16. SPS grants a good cause exception to the requirement in 16 TAC § 25.22.52(a)(4) for SPS to have held an online public meeting instead of an in-person public meeting.
17. The Commission limits the authority granted by this Order to a period of seven years from the date of this Order unless the converted Harrington station and the supply pipeline are operational before that time.
18. The Commission denies all other motions and any other request for general or specific relief that have not been expressly granted.

**Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_, 2022.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**PETER M. LAKE, CHAIRMAN**

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**WILL MCADAMS, COMMISSIONER**

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**LORI COBOS, COMMISSIONER**

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**JIMMY GLOTFELTY, COMMISSIONER**

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
34650	<i>Application of Sam Houston Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a Proposed 138kv Transmission Line for the Enstor Leaching and Gas Facility in Liberty County, Texas</i>	01-21-2009
36210	<i>Application of American Electric Power Texas North Company to Amend Its Certificate of Convenience and Necessity for a Proposed 69 kV and 138 kV Transmission Line in Menard County, Texas</i>	05-29-2009
36380	<i>Application of Deep East Texas Electric Cooperative, Inc. to Amend Its Certificate of Convenience and Necessity for a Proposed Chireno to Etoile 138-kV Transmission Line in Nacogdoches County, Texas</i>	05-29-2009
36463	<i>Application of AEP Texas North Company to Amend a Certificate of Convenience and Necessity (CCN) for a 69/138-kV Transmission Line in Childress County, Texas</i>	06-30-2009
36686	<i>Application of LCRA Transmission Services Corporation to Amend a Certificate of Convenience and Necessity for the North McCamey to McCamey B 138-kV CREZ Transmission Line Within Upton, Crockett, and Pecos Counties, Texas</i>	07-9-2009
35996	<i>Application of Oncor Electric Delivery Company to Amend a Certificate of Convenience and Necessity (CCN) for a Proposed Transmission Line Within Kaufman County</i>	09-17-2009
37015	<i>Application of Oncor Electric Delivery Company to Amend a Certificate of Convenience and Necessity for a Proposed CREZ Transmission Line Within Archer, Clay, and Jack Counties</i>	09-29-2009
37248	<i>Application of AEP Texas North Company to Amend a Certificate of Convenience and Necessity for a 69/138-kV Transmission Line in Childress County, Texas</i>	10-7-2009

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
37260	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115-kV Transmission Line Within Wheeler County in Texas</i>	10-26-2009
37119	<i>Application of Oncor Electric Delivery Company to Amend a Certificate of Convenience and Necessity for a Proposed CREZ Transmission Line Pursuant to P.U.C. Subst. R. 25.174 Within Jack, Parker and Wise Counties</i>	12-18-2009
37232	<i>Application of Oncor Electric Delivery Company, LLC to Amend a Certificate of Convenience and Necessity (CCN) for a Transmission Line Within Collin County, Texas</i>	12-28-2009
37523	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 115-kV Transmission Line Within Roberts County, Texas</i>	01-11-2010
37733	<i>Application of El Paso Electric Company to Amend a Certificate of Convenience and Necessity for a Proposed 115-kV Transmission Line in El Paso County, Texas</i>	02-25-2010
37409	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Central B - Central a - Tonkawa 345-kV CREZ Transmission Line in Scurry and Mitchell Counties</i>	03-08-2010
37407	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Tonkawa - Sweetwater East - Central Bluff 345-kV CREZ Transmission Line in Scurry, Mitchell, Fisher, Nolan and Taylor Counties</i>	03-11-2010

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
37408	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Riley - Bowman 345-kV CREZ Transmission Line (formerly Oklaunion - Bowman Line) Within Archer, Wichita, and Wilbarger Counties</i>	03-11-2010
37463	<i>Application of Oncor Electric Delivery Company, LLC to Amend Its Certificate of Convenience and Necessity for the Newton - Killeen 345-kV CREZ Transmission Line in Bell, Burnet and Lampasas Counties</i>	04-05-2010
37464	<i>Application of Oncor Electric Delivery Company, LLC to Amend Its Certificate of Convenience and Necessity for the Brown - Newton 345-kV CREZ Transmission Line in Brown, Mills, Lampasas, McCulloch and San Saba Counties</i>	04-05-2010
37529	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Central Bluff - Bluff Creek 345-kV CREZ Transmission Line in Nolan, Taylor, and Runnels Counties</i>	04-15-2010
37530	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Bluff Creek - Brown 345-kV CREZ Transmission Line in Taylor, Runnels, Coleman, and Brown Counties</i>	04-26-2010
36995	<i>Application of Oncor Electric Delivery Company, LLC to Amend a Certificate of Convenience and Necessity for a Proposed Transmission Line Within Bell, Falls, Milam, and Robertson Counties</i>	05-17-2010
37983	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity to Construct the Alamito Creek to Gonzales 138-kV Transmission Line in Presidio County</i>	05-24-2010

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
37104	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed Transmission Line Within Dallam County and Sherman County, Texas</i>	06-03-2010
36978	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for a 138-kV Transmission Line in Uvalde and Medina Counties</i>	07-7-2010
37778	<i>Application of LCRA Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for the Proposed Twin Buttes to McCamey D CREZ 345-kV Transmission Line in Tom Green, Irion, and Schleicher Counties, Texas</i>	07-09-2010
38192	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Combustion Turbine in Lubbock County, Texas</i>	08-14-2010
38307	<i>Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a Proposed Transmission Line Within Harris County</i>	09-03-2010
38230	<i>Application of Lone Star Transmission, LLC for a Certificate of Convenience and Necessity for the Central A to Central C to Sam Switch/Navarro 345-kV CREZ Transmission Line</i>	09-7-2010
37771	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 230kv Transmission Line initially Operated At 115kv Within Dallam, Hartley, Oldham, and Potter Counties, Texas</i>	09-15-2010
37956	<i>Application of Cross Texas Transmission, LLC for a Certificate of Convenience and Necessity for the Gray to Tesla 345kv CREZ Transmission Line (formerly Panhandle Bb to Tesla) in Gray, Wheeler, Donley, Collingsworth, Hall and/or Childress Counties</i>	09-15-2010

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38283	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 230 kV Transmission Line Within Hansford, Sherman, and Moore Counties, Texas</i>	09-28-2010
37951	<i>Application of Electric Transmission Texas, LLC to Amend a Certificate of Convenience and Necessity for the Clear Crossing to Dermott 345-kV CREZ Transmission Line (formerly Central B to Clear Crossing) in Haskell, Jones, Stonewall, Fisher, Kent, and Scurry Counties</i>	10-04-2010
38295	<i>Application of Wind Energy Transmission Texas, LLC for a Certificate of Convenience and Necessity for the Panhandle Ad to Central B ( Cottonwood to Dermott) 345-kV CREZ Transmission Line in Dickens, Kent and Scurry Counties</i>	10-19-2010
38642	<i>Application of Lone Star Transmission, LLC for a Certificate of Convenience and Necessity for the Sam Switch to Navarro Proposed CREZ Transmission Line (Severed From Docket No. 38230)</i>	10-22-2010
38140	<i>Application of Oncor Electric Delivery Company LLC to Amend a Certificate of Convenience and Necessity for the Riley-Krum 345-kV CREZ Transmission Line (formerly Oklaunion to West Krum) in Archer, Clay, Cooke, Denton, Jack, Montague, Wichita, Wilbarger, and Wise Counties</i>	10-29-2010
38561	<i>Application of El Paso Electric Company to Amend a Certificate of Convenience and Necessity for the Proposed 115-kV Transmission Line Within El Paso County</i>	11-15-2010
38290	<i>Application of Sharyland Utilities, L.P. to Amend Its Certificate of Convenience and Necessity for the Hereford to White Deer 345-kV CREZ Transmission Line (formerly Panhandle Ab to Panhandle Ba) in Armstrong, Carson, Deaf Smith, Oldham, Potter, and Randall Counties</i>	12-13-2010



<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38324	<i>Application of Oncor Electric Delivery Company LLC to Amend a Certificate of Convenience and Necessity for the Willow Creek-Hicks 345-kV CREZ Transmission Line in Denton, Parker, Tarrant and Wise Counties</i>	12-13-2010
38494	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Tesla to Riley 345-kV CREZ Transmission Line in Childress, Hardeman, and Wilbarger Counties</i>	12-20-2010
38435	<i>Application of Cross Texas Transmission, LLC for a Certificate of Convenience and Necessity for the Silverton to Tesla 345-kV CREZ Transmission Line (formerly Panhandle Ac to Tesla) in Briscoe, Childress, Cottle, Floyd, Hall, and Motley Counties</i>	01-19-2011
38354	<i>Application of LCRA Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for the Proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble, Mason, Gillespie, Kerr, and Kendall Counties</i>	01-24-2011
38423	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the ETT East Abilene to AEP TNC Putnam 138 kV Transmission Circuit Project in Taylor and Callahan Counties Pursuant to PUC Subst. R. § 25.174</i>	01-27-2011
38484	<i>Application of Wind Energy Transmission Texas, LLC for a Certificate of Convenience and Necessity for the Scurry County South- Long Draw-Grelton - Odessa 345-kV CREZ Transmission Lines in Scurry, Mitchell, Borden, Howard, Dawson, Martin, Midland, and Ector Counties</i>	01-27-2011

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38517	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Clear Crossing to Willow Creek 345-kV CREZ Transmission Line in Haskell, Jones, Throckmorton, Shackelford, Young, Stephens, Jack, Palo Pinto, Wise, and Parker Counties</i>	02-10-2011
38560	<i>Application of Sharyland Utilities, L.P. to Amend Its Certificate of Convenience and Necessity for the Silverton to Cottonwood 345-kV CREZ Transmission Line in Briscoe, Crosby, Dickens, Floyd, and Motley Counties</i>	02-10-2011
38677	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Ector County North-Moss 138-kV CREZ Transmission Line in Ector County</i>	02-10-2011
38832	<i>Application of Lamar County Electric Cooperative Association for An Amendment to Its Certificate of Convenience and Necessity for the 138-kV Lake Creek Transmission Line in Delta County</i>	02-10-2011
38943	<i>Application of Golden Spread Electric Cooperative, Inc. to Amend Its Certificate of Convenience and Necessity for a Proposed Transmission Line in Wheeler County</i>	02-25-2011
38650	<i>Application of Cross Texas Transmission, LLC to Amend a Certificate of Convenience and Necessity for the Gray to White Deer 345-kV CREZ Transmission Line in Carson and Gray Counties</i>	03-04-2011
38562	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Riley to Edith Clarke to Cottonwood 345-kV CREZ Transmission Line in Wilbarger, Hardeman, Foard, Knox, Cottle, King, Motley, and Dickens Counties</i>	03-07-2011

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38597	<i>Application of Oncor Electric Delivery Company LLC to Amend a Certificate of Convenience and Necessity for the Krum West to Anna 345-kV CREZ Transmission Line in Collin, Cooke, Denton, and Grayson Counties</i>	03-07-2011
38974	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115-kV Transmission Line Within Gaines County</i>	03-07-2011
38524	<i>Joint Application of Blossom Telephone Company, Inc. and MetroPCS Texas, LLC for Administrative Approval of a Wireless interconnection Agreement Pursuant to Pura and the Federal Telecommunications Act of 1996</i>	03-22-2011
38750	<i>Application of Sharyland Utilities, L.P. to Amend Its Certificate of Convenience and Necessity (CCN) for the Hereford to Nazareth to Silverton 345-kV CREZ Transmission Line in Briscoe, Castro, Deaf Smith, Randall and Swisher Counties</i>	03-22-2011
38648	<i>Application of South Texas Electric Cooperative, Inc. to Amend Its Certificate of Convenience and Necessity for the Bakersfield to Big Hill 345-kV CREZ Transmission Line in Pecos, Crockett and Schleicher Counties</i>	03-25-2011
37442	<i>Application of Trinity Valley Electric Cooperative, Inc to Amend Its Certificate of Convenience and Necessity for a Proposed 138 kV Transmission Line in Kaufman County, Texas</i>	03-31-2011
38717	<i>Application of El Paso Electric Company for An Amendment to Its Certificate of Convenience and Necessity for a Peaking Generating Unit At the Rio Grande Site in New Mexico</i>	04-08-2011

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38825	<i>Application of Wind Energy Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Long Draw to Sand Bluff, Sand Bluff to Divide, and Sand Bluff to Bearkat 345-kV CREZ Transmission Lines in Borden, Coke, Glasscock, Howard, Mitchell, and Sterling Counties</i>	04-14-2011
38743	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Tesla to Edith Clarke to Clear Crossing to West Shackelford 345-kV CREZ Transmission Line in Childress, Cottle, Hardeman, Foard, Knox, Haskell, Jones, and Shackelford Counties</i>	04-18-2011
38829	<i>Application of Sharyland Utilities, LP to Amend Its Certificate of Convenience and Necessity for the Proposed White Deer to Silverton 345-kV CREZ Transmission Line in Armstrong, Briscoe, Carson, Donley, Gray, and Swisher Counties</i>	05-09-2011
39243	<i>Application of Cherokee County Electric Cooperative Association to Amend Its Certificate of Convenience and Necessity for a Proposed 138-kV Transmission Line Within Nacogdoches, Cherokee, and Angelina Counties</i>	06-14-2011
39308	<i>Application of Upshur-Rural Electric Cooperative Corporation to Amend Its Certificate of Convenience and Necessity for a 69-kV Transmission Line in Smith and Gregg Counties</i>	07-01-2011
39325	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity to Construct the AEP TCC Lytle to CPS Energy Lytle 138-kV Transmission Line in Medina County</i>	07-25-2011
39274	<i>Application of Deep East Texas Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-kV Transmission Line in Sabine County</i>	08-23-2011

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
39298	<i>Application of South Texas Electric Cooperative, Inc to Amend Its Certificate of Convenience and Necessity for the Odessa to North McCamey to Bakersfield 345-kV CREZ Transmission Line in Ector, Midland, Crane, Upton, Crockett, and Pecos Counties</i>	08-23-2011
38838	<i>Application of Southwestern Electric Power Company to Amend a Certificate of Convenience and Necessity for a Proposed 345-kV Transmission Line in Bowie County</i>	09-02-2011
39572	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 230-kV Transmission Line Within Randall County</i>	10-12-2011
39541	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Combustion Turbine in Lubbock County</i>	10-28-2011
39699	<i>Application of North Plains Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 69-kV Transmission Line in Hansford County</i>	11-15-2011
39467	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115 kV Transmission Line Within Potter County</i>	12-15-2011
39873	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115 kV Transmission Line Within Castro County</i>	01-30-2012
39798	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed Transmission Line Within Castro and Swisher Counties</i>	04-26-2012

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
38877	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed TUCO to Texas/Oklahoma interconnection 345-kV Transmission Line Within Hale, Floyd, Motley, Cottle, Briscoe, Hall, Childress, Donley, Collingsworth, and Wheeler Counties</i>	05-01-2012
39524	<i>Application of Oncor Electric Delivery Company, LLC to Amend a Certificate of Convenience and Necessity for the Proposed Oklaunion-Fisher Road 345-kV Transmission Line in Wichita County</i>	05-22-2012
40216	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 115-kV Transmission Line Within Hale County, Texas</i>	06-08-2012
40049	<i>Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a Proposed 138 kV Transmission Line Within Harris and Montgomery Counties</i>	06-14-2012
39479	<i>Application of LCRA Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for the Proposed Cushman to Highway 123 138-kV Transmission Line in Guadalupe County</i>	06-20-2012
39982	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 230-kV Transmission Line Within Swisher and Castro Counties</i>	07-13-2012
40317	<i>Application of Lyntegar Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for the Patricia 138- kV Transmission Line Within Dawson County</i>	07-17-2012
40484	<i>Application of Sharyland Utilities, L.P. to Amend Its Certificate of Convenience and Necessity for the Colorado City to Barber Lake 138-kV Transmission Line in Mitchell County</i>	09-10-2012

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
40645	<i>Application of Sharyland Utilities, L.P. to Amend Its Certificate of Convenience and Necessity for the 1956-Midkiff to Driver 138-kV Transmission Line in Midland County</i>	11-14-2012
40659	<i>Application of North Plains Electric Cooperative, Inc. to Amend Its Certificate of Convenience and Necessity for the Waka 115-kV Transmission Line in Ochiltree County</i>	11-26-2012
40301 (Generating unit)	<i>Application of El Paso Electric Company to Amend a Certificate of Convenience and Necessity for Generating Units Montana 1 and 2 At the Montana Site in El Paso County</i>	12-13-2012
40537	<i>Application of Sharyland Utilities, LP to Amend a Certificate of Convenience and Necessity for the Gardendale to Grady 138-kV Transmission Line in Martin and Midland Counties</i>	12-17-2012
40838	<i>Application of South Texas Electric Cooperative, Inc. to Amend Its Certificate of Convenience and Necessity for the Proposed ETP Hairpin Double-Circuit 138-kV Transmission Line in Jackson County</i>	01-07-2013
40125	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 115-kV Transmission Line Within Hale County, Texas</i>	02-14-2013
40319	<i>Application of Brazos Electric Power Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-kV Single Circuit Transmission Line in Grimes, Walker and Montgomery Counties</i>	03-28-2013
41025	<i>Application of Golden Spread Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a Proposed Transmission Line in Wheeler County</i>	04-08-2013

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
40728	<i>Application of Electric Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Proposed Lobo to Rio Bravo to North Edinburg 345-kV Double-Circuit Transmission Line in Webb, Zapata, Jim Hogg, Brooks, Starr, and Hidalgo Counties, Texas</i>	05-09-2013
41222	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115- kV Transmission Line Within Terry and Gaines Counties</i>	05-21-2013
41245	<i>Application of Lyntegar Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a Proposed 138-kV Transmission Line in Dawson County</i>	05-28-2013
40550	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a 115- kV Transmission Line Within Gray and Wheeler Counties</i>	06-19-2013
40684	<i>Application of LCRA Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for the Proposed EC Mornhinweg to Parkway 138-kV Transmission Line in Comal and Guadalupe Counties</i>	06-19-2013
41395	<i>Application of South Texas Electric Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for the Proposed Vanderbilt to Ricebird 138-kV Transmission Line in Jackson and Wharton Counties</i>	07-15-2013
40685	<i>Application of Southwestern Electric Power Company to Amend Its Certificate of Convenience and Necessity for a Proposed 345-kV Double-Circuit Transmission Line in Bowie County</i>	08-30-2013
41334	<i>Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity for a Proposed 115kv Transmission Line Within Ochiltree and Lipscomb Counties</i>	11-4-2013



<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
41749	<i>Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a Proposed 138-kV Transmission Line Within Brazoria County</i>	01-27-2014
41360	<i>Application of El Paso Electric Company to Amend Its Certificate of Convenience and Necessity for the Proposed Montana Power Station to Caliente Substation 115-kV Transmission Line in El Paso County</i>	03-10-2014
41638	<i>Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity for a Proposed 230-kV Transmission Line in Jefferson County</i>	03-10-2014
41674	<i>Application of AEP Texas Central Company to Amend Its Certificate of Convenience and Necessity for a Proposed Kenedy SS to Tuleta 138-kV Double Circuit Transmission Line in Bee, Goliad, and Karnes Counties</i>	05-30-2014
41359	<i>Application of El Paso Electric Company to Amend Its Certificate of Convenience and Necessity for the Proposed Montana Power Station intersect With Caliente to Coyote 115-kV Transmission Line in El Paso County</i>	08-18-2014
41718	<i>Application of Entergy Texas, Inc. to Amend a Certificate of Convenience and Necessity for a Proposed 230-kV Transmission Line Within Grimes and Montgomery Counties</i>	09-11-2014
48633	<i>Application Of AEP Texas, Inc. to Amend Its Certificate of Convenience and Necessity for the Tardis to Benjamin Tap 138-kV Transmission Line Project in Knox County</i>	01-04-2019
48629	<i>Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a 345-kV Transmission Line in Brazoria, Matagorda, and Wharton Counties</i>	11-21-2019

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
48668	<i>Joint Application of Sharyland Utilities, L.P. and City Of Lubbock, Acting by and Through Lubbock Power &amp; Light, for a Certificate of Convenience and Necessity for the Abernathy-to-Wadsworth 345-kV Transmission Line in Hale and Lubbock Counties</i>	12-18-2019
49302	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for a 138-kV Transmission Line in Loving County (Kyle Ranch - Quarry Field)</i>	03-02-2020
51737	<i>Application of Oncor Electric Delivery Company LLC to Amend Its Certificate of Convenience and Necessity for the Kyle Ranch-To-Quarry Field 138-kV Transmission Line in Loving County (Modification of Route Approved in Docket No. 49302)</i>	09-08-2021
51476	<i>Application of El Paso Electric Company to Amend Its Certificate of Convenience and Necessity for the Pine-To-Seabeck 115-kV Transmission Line in El Paso County</i>	02-11-2022
52977	<i>Application of Wind Energy Transmission Texas, LLC to Amend Its Certificate of Convenience and Necessity for the Bernoulli Switching Station-to-the Edmondson Ranch Collector Station 345-kV Transmission Line in Glasscock County</i>	03-11-2022
52854	<i>Application of Lone Star Transmission, LLC to Amend Its Certificate of Convenience and Necessity for the Reata-to-Century Oak 345-kV Transmission Line in Eastland and Callahan Counties</i>	03-25-2022
52853	<i>Application of Lone Star Transmission, LLC to Amend Its Certificate of Convenience and Necessity for the Liberty-To-Waco Solar 345-kV Transmission Line in Hill and Limestone Counties</i>	03-28-2022
51912	<i>Application of AEP Texas Inc. to Amend Its Certificate of Convenience and Necessity for the Angstrom-to- Grissom Double-Circuit 345-kV Transmission Line in Bee, Refugio, and San Patricio Counties</i>	03-29-2022

<b>Docket No.</b>	<b>Case Style</b>	<b>Date of Final Order/NOA</b>
52656	<i>Application of AEP Texas Inc. to Amend Its Certificate of Convenience and Necessity for the Angstrom to Naismith Double-Circuit 345-kV Transmission Line in San Patricio County</i>	05-12-2022