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State Office of Administrative Hearings

Chief Administrative Law Judge

September 8, 2022

TO: Stephen Journey, Commission Counsel
Commission Advising and Docket Management
Public Utility Commission of Texas
William B. Travis State Office Building
1701 N. Congress, 7th Floor
Austin, Texas 78701

VIA EFILE TEXAS

Re: SOAH Docket No. 473-22-1073; PUC Docket No. 52485; *Application of Southwestern Public Service Company to Amend its Certificate of Convenience and Necessity to Convert Harrington Generating Station from Coal to Natural Gas*

Dear Mr. Journey:

On July 25, 2022, the undersigned Administrative Law Judges (ALJs) issued a Proposal for Decision (PFD) in this matter. On August 18, 2022, exceptions to the PFD were filed by the Alliance of Xcel Municipalities, Sierra Club, and Office of Public Utility Counsel. On August 30, 2022, a reply to exceptions was filed by Southwestern Public Service Company (SPS).

In its exceptions, Sierra Club requests that this case be remanded to consider the impact of the recently enacted Inflation Reduction Act (Act), which includes tax credits and direct spending for renewable energy that Sierra Club contends will

affect the economics of SPS's proposal to convert the Harrington Generating Station to run on natural gas. SPS responds that time is of the essence and that remand is unnecessary because the Act does not change the fact that SPS has a need for capacity at Harrington as of December 31, 2024, and that a peaking gas facility is needed to handle existing and future renewable resources.

Because the Act was enacted after the issuance of the PFD, the evidentiary record does not contain any information regarding its potential impact. The record does, however, support SPS's need for capacity as soon as 2025,¹ and a remand could impact SPS's ability to meet that need. Nevertheless, the ALJs do not take a position on whether remand is appropriate, as balancing the desire for additional information with the risk of delay is a matter within the Commission's discretion.

The remainder of the exceptions concern matters that were fully considered in the PFD. Accordingly, the ALJs do not recommend any changes to the PFD.



Cassandra Quinn,
Administrative Law Judge



Ross Henderson,
Administrative Law Judge

CC:
All parties of record.

¹ See PFD at 37 (citing SPS Ex. 8 (Elsey Reb.) at 11-12).