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PUC DOCKET NO. 52485

APPLICATION OF SOUTHWESTERN	§	BEFORE THE PUBLIC UTILITY
ELECTRIC POWER COMPANY TO	§	COMMISSION OF TEXAS
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY TO	§	
CONVERT HARRINGTON	§	
GENERATING STATION FROM	§	
COAL TO NATURAL GAS	§	
	§	

**SIERRA CLUB’S THIRD SET OF REQUESTS FOR INFORMATION TO
SOUTHWESTERN PUBLIC SERVICE COMPANY**

Sierra Club submits this Third Set of Requests for Information (“RFI”) to Southwestern Public Service Company (“SPS”). Under 16 TAC §§ 22.141-145, Sierra Club requests that SPS provide the following information and answer the following questions under oath. Please answer the questions and sub-questions in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. Please state the name of the witness in this proceeding who will sponsor the answer to the question.

Responses to the RFIs should be served on the following individuals within twenty (20) days of service, or by January 21, 2021, or as modified by order in this case:

Joshua Smith
Matthew Miller
Dru Spiller
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DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” the “Company,” or “SPS,” refers to Southwestern Electric Power Company, and its affiliates, directors, officers, employees, consultants, attorneys, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all, each and every example of the requested information.

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Control” means, without limitation, that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Company regardless of where located, or (2) produced or generated by, known to or seen by the Company, but now in their possession, custody or control, regardless of where located whether or still in existence. Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications,

memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made. For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original.

“Identify” means:

- a. With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) vis-à-vis the Company;
- b. With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“Person” means, without limitation, every natural person, corporate entity, partnership, association (formal or otherwise), joint venture, unit operation, cooperative, municipality, commission, governmental body or agency.

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“Workpapers” are defined as original, electronic, machine-readable, unlocked, unlocked, in native format, and with formulae and links intact.

INSTRUCTIONS

1. The Definitions, Instructions, and Claim of Privilege set out in this Request for Information apply to these questions.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
7. In providing your responses, please start each response on a separate page and type, at the top of the page, the question that is being answered.
8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has sub-parts, please identify the person or persons by sub-part. Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has sub-parts, please identify the witness or witnesses by sub-part.

9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.

10. Wherever the response to a request for information consists of a statement that the requested information is already available to Sierra Club, please provide a detailed citation to the document that contains the information. The citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart(s)/table(s)/figure number(s).

11. In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

12. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.

13. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.

14. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.

15. If the information requested is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.

16. Data should be provided in native electronic format including active EXCEL workbooks and all linked workbooks, with all formulas, cell references, links, etc., intact, functioning, and complete for all tables, figures, and attachments in the testimony.

17. To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

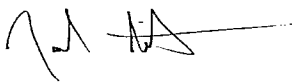
18. Sierra Club reserves the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

PRIVILEGE

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any request for information or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit meaningful evaluation of the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would likewise enable evaluation of the validity of such claims.

Dated: December 22, 2021

Respectfully submitted,

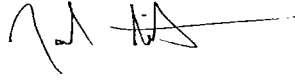


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Counsel for Sierra Club

CERTIFICATE OF SERVICE

I, Joshua Smith, certify that a copy of the foregoing Sierra Club submission was served upon all parties of record in this proceeding on December 22, 2021, by First-class U.S. mail, hand delivery, and/or e-mail, as permitted by the presiding officer.



Joshua Smith
Sierra Club Environmental Law Program

EXHIBIT A

PUC DOCKET NO. 52485

APPLICATION OF SOUTHWESTERN	§	BEFORE THE PUBLIC UTILITY
ELECTRIC POWER COMPANY TO	§	COMMISSION OF TEXAS
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY TO	§	
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**SIERRA CLUB'S THIRD SET OF REQUESTS FOR INFORMATION TO
SOUTHWESTERN PUBLIC SERVICE COMPANY**

- 3.1 State whether SPS evaluated the early retirement of Harrington, assuming that any remaining plant balance was depreciated over each unit's current lifetime.
 - a. If yes, provide all such analysis.
 - b. If no, explain why no such analysis has been completed.
- 3.2 State whether SPS has evaluated the possibility of converting the undepreciated plant balance at Harrington into a regulatory asset and depreciating the balance over the current plant life if any of the units, or the entire plant, retires early.
 - a. If yes, provide all analysis and reports evaluating this option.
 - b. If no, explain why not.
- 3.3 State whether SPS has evaluated the possibility of securitizing the undepreciated plant balance at Harrington if any of the units, or the entire plant, retires early.
 - a. If yes, provide all analysis and reports evaluating this option.
 - b. If no, explain why not.
- 3.4 State whether SPS tested a CO₂ price as part of the Harrington analysis.
 - a. If yes, provide all analysis.
 - b. If no, explain why not.
- 3.5 Explain the basis of SPS's assumptions around the incremental decrease in Sustaining Capex and FOM costs as the Company retired one unit, two units, and three units in the different scenarios.
- 3.6 Refer to the EnCompass files provided for the Harrington 2021 analysis.
 - a. Explain what costs are represented in the Annual Capital Expenditures (\$000) timeseries.
 - b. Explain what costs are represented in the Capital Expenditures (\$000) field.
 - c. Explain why Scenario 5 (where units 1 and 2 retire early) uses the same FOM cost stream for Units 1 and 2 as Scenario 2 (where both units convert to gas), instead of the same cost stream as Scenario 1 (where all units retire early).

- d. Explain why Scenario 6 (where unit 1 retires early) uses the same FOM cost stream for unit 1 as Scenario 2 (where unit 1 converts to gas) instead of the same cost stream as Scenario 1 (where the unit retires early).
- 3.7 Please refer to SPS's modeling files provided in response to SC 1-3(i). Please provide SPS's projected emission rates for the following pollutants at the Harrington units if converted to operate on gas:
 - a. CO₂,
 - b. NO_x,
 - c. particulate matter.
 - d. Explain in detail and provide all documentation supporting SPS's assumptions around the projected emissions rates for CO₂, NO_x, and particulate matter, if the Harrington units are converted to gas.
- 3.8 Refer to SPS's response to SC 1-5.b. Confirm that SPS is not aware of any transmission system updates or changes that would be needed to allow for the retirement of any of the Harrington units. If not confirmed, provide all documents related to any transmission upgrade necessary to retire any or all of units.
- 3.9 Please refer to SPS's response to SC 1-6. Has SPS/Xcel evaluated whether any individual Harrington unit may require additional investments to comply with the Regional Haze Rule if converted to burn gas. If not, why? If so, please provide all supporting analyses, cost projections, calculations, data, documents, modeling input and output files, and work papers associated with compliance with the Regional Haze Rule at any or all units.
- 3.10 Has SPS submitted to TCEQ any application to modify its Part 70 or Title V operating permit to reflect its proposed modification of the Harrington power plant? If yes, please provide SPS's application and all supporting modeling and documentation. If not, why not?
- 3.11 Please refer to SPS Exhibit SPS-SC 1-27.1 at 4 of 90.
 - a. Did SPS obtain any authorization from the U.S. Army Corps of Engineers for the proposed pipeline, including, but not limited to, any certification under Nationwide Permit 12 or any other authorization under the Clean Water Act or the Endangered Species Act? If so, please provide all such authorizations or documents reflecting any communications with the U.S. Army Corps of Engineers related to any such authorization. If not, why not?
 - b. Please provide all communications with the U.S. Army Corps of Engineers related to the need for any authorization for the pipeline.
- 3.12 Please refer to SPS Exhibit SPS-SC 1-27.1 at 17 of 90.
 - a. Did SPS obtain any authorization from the Fish and Wildlife Service under the Endangered Species Act for the proposed pipeline? If so, please provide all such authorizations or documents reflecting any communications related to any such authorization. If not, why not?
 - b. Please provide all communications with the Texas Parks & Wildlife Department related to the pipeline or its impacts to endangered species, including, but not limited to all assessments referenced in paragraph 12.3.
 - c. Please provide all communications with the Fish and Wildlife Service related to the pipeline or its impacts to endangered species, including, but not limited to all

assessments, all additional species-specific surveys, or seasonal restrictions referenced in paragraph 12.3.

- 3.13 Please refer to SPS Exhibit SPS-SC 1-27.1 at 18 of 90. Did SPS obtain any authorization from the U.S. Environmental Protection Agency or the Texas Commission on Environmental Quality for the proposed pipeline, including, but not limited to any authorization under the Clean Water Act or the Clean Air Act? If so, please provide all such authorizations or documents reflecting any communications related to any such authorization. If not, why not?
- 3.14 Please provide all communications with the U.S. Environmental Protection Agency or the Texas Commission on Environmental Quality related to the pipeline, including, but not limited to all assessments referenced in paragraph 12.5.
- 3.15 Refer to SPS Response to SC 1-4(e)(i), Attachments Encompass Cost Inputs – Gas Conversion and Encompass Cost Inputs – Partial Gas Conversion.
- a. Explain the basis, and provide all documentation, for the Company’s ongoing Capex assumption for units converted to operate on gas that are hard-coded in this attachment (e.g., sheets labeled, “Gas” tabs, cells H12 through H15).
 - b. Please refer to the sheet labeled “GasCapX.” Please provide SPS’s actual capital expenditures for the Harrington facility and each of the Harrington units from 2000 through 2020, including the total amounts by year for each facility.
 - c. Please provide a list of all maintenance projects or other projects or expenditures which were booked as capital expenditures for Harrington from 2005 through 2020, including the year, the amount of the expenditure, the respective unit, a description of what work was performed and/or equipment replaced, and for each such project, indicate whether it had any relation to the coal-handling equipment that is being discontinued.
 - d. Please produce any documents which are maintenance plans or schedules for Harrington, which are in current use or have been in use at any time since 2010.
 - e. Please refer to the sheet labeled “GasCapX,” cell E69. Explain how frequently each Harrington unit requires a Generator Rotor Rewind, and please provide the history of such rewind expenses for each unit.
 - f. Please refer to the sheet labeled “GasCapX,” cell C71 and C72. Please explain the need for each listed expense, and provide the history of such expenses for each unit.
 - g. Please refer to the sheet labeled “GasCapX,” line 73.
 - i. Please explain the expenses listed in this row, and provide all documentation supporting those expenses.
 - ii. Please explain the expense listed in G73, and provide all documentation supporting that expense.
 - h. Please refer to the sheet labeled “Gas.” Confirm that SPS’s projections assume that the Harrington units, after they are converted to gas, will require zero capital expenditures to comply with environmental regulations from 2025 through the end of their useful life. If not confirmed, please identify and explain the projected environmental costs and where they appear in the attachment.
- 3.16 Please refer to SPS’s response to SC 2-3 (a), in which you stated that “Based on discussions with the Xcel Energy Projects team, SPS then assumed an annual capital

- expenditure forecast of \$3.75M per year (escalated at 2% per year) after the units were converted to operate on natural gas.” To the extent not already answered in your response to 5-1(a), please the detailed basis of the \$3.75M estimate and explain why SPS is assuming ongoing capital expenditures for the converted Harrington units which are materially less than the Company’s historic expenditures provided in 1-7(i,j).
- 3.17 Refer to Exhibit SPS-SC 1-7(n) regarding the undepreciated plant balance remaining for Harrington.
- Explain where these costs are modeled in EnCompass. Specifically, state which field and which resource contain the undepreciated plant balances.
 - State whether the undepreciated plant balance is entered in the EnCompass model as a onetime Capital Expenditure associated with a Company Asset.
 - Explain why the onetime Capital Expenditures associated with each Company Asset differ across scenarios.
 - Provide all workpapers showing how the undepreciated plant balance is converted into the cost streams we see in EnCompass.
- 3.18 Refer to Exhibit SPS-1-3(i) CONF (the Encompass files for the Harrington analysis).
- Explain how and where the decommissioning costs are included in the EnCompass model.
 - Explain where the Scenario 2 files are located in the EnCompass files for the Harrington analysis. If they are not provided, please produce those files.
- 3.19 It appears to Sierra Club that SPS has not provided Encompass files for the baseline scenario used in the Company’s Harrington Analysis; but also that the baseline scenario is identical for Company’s Harrington Analysis and for the Tolk Analysis, for which the Company previously produced its Encompass data files to Sierra Club in New Mexico Public Regulation Commission Case No. 21-00169-UT.
- Please confirm that the baseline scenario is identical for the Company’s Harrington and Tolk Analyses, both in terms of the real-world scenarios which are modeled, and the modeling data and assumptions. If the baseline scenarios in the two analyses are not identical, please state the material differences.
 - Please state any objections (either legal or methodological) that SPS may make to Sierra Club utilizing the Tolk Analysis Encompass data files for the baseline scenario produced to Sierra Club in the prior case for Sierra Club’s modeling of Harrington retirement and conversion scenarios.
- 3.20 Refer to SPS response to SC 1-4(e), regarding the Company’s cost assumptions for new generic solar PV resources, new generic wind resources, and new generic battery storage resources provided as part of SC 1-3(i) CONF in the Company’s EnCompass modeling files.
- State the source of each cost projection for all resources S23-S50, B23-B50, W23-W50.
 - For each resource referenced in (a), state the assumptions included for each regarding the expiration of the ITC and PTC.
 - For each solar and wind resource referenced in (a), provide all workpapers showing the Company’s capital cost assumptions, and how they were converted into the LCOE used in the model.

- d. For each battery storage resource referenced in (a), provide all workpapers showing the Company's capital cost assumptions, and how they were converted into the fixed costs used in the mode.
- 3.21 Please refer to the Direct Testimony of Mark Lytal at page 9, line 7.
- a. Has SPS entered have any firm fuel supply or gas transmission contract(s) with ONEOK WesTex Transmission L.L.C. or any other natural gas provider for the firm supply of natural gas to operate the converted Harrington units? If yes, please provide all such contracts. If not, why not?
 - b. If there are no contracts for the firm supply of natural gas, please explain how SPS intends to procure gas supply.
 - c. If SPS determines to retire the converted Harrington units after ten years due to SPS market conditions or otherwise, can the Company terminate any firm fuel supply contract? Identify any provisions of the Agreement that provide customers with this type of protection.
- 3.22 Has SPS evaluated the possibility that the converted Harrington units do not operate for the remainder of their currently projected useful life? If so, please provide all such analysis. If not, why?
- 3.23 If the proposed converted Harrington units cease operating or cease burning gas before the expiration of their currently projected useful life, how does SPS intend to recover the undepreciated balance of the proposed investment to convert the units?
- 3.24 Confirm that the Company plans to offer the converted Harrington units into the SPS energy market with a commitment status other than "must run" or "self commit" for all hours. If your answer is qualified, please explain that context in which the Company would offer these units as "must run" or "self commit" into the SPS energy market.
- 3.25 Is the Company aware of any operational considerations that might cause the Company to offer the converted Harrington units into the SPS energy market with a "must run" or "self commitment" status? If yes, describe operational considerations that might cause the Company to offer these units as "must run" or "self commit."
- 3.26 Is the Company aware of any contractual reasons (such as a minimum take or minimum purchase obligation) that might cause the Company to offer the converted Harrington units into the energy market with a "must run" or "self commitment" status? If yes, describe operational considerations that might cause the Company to offer these units as "must run" or "self commit."
- 3.27 Is the Company aware of any contractual or other considerations that might cause the Company to offer the converted Harrington units into the SPS energy market at a price lower than their incremental cost, i.e., at a decrement price? If not, please confirm the Company's assurance that it will never be compelled to resort to decrement pricing for these converted units.