**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

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IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN.	**)))))**	**PROCEEDING NO. 23A-____E**

DIRECT TESTIMONY AND ATTACHMENT OF JACK W. IHLE

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

May 15, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

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IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN.	**))) PROCEEDING NO. 23A-____E))**

EXECUTIVE SUMMARY OF THE 2024-2026 TEP

Mr. Ihle is Regional Vice President, Regulatory Policy, for Public Service Company of Colorado ("Public Service" or "Company"). He presents this Executive Summary in support of the Company's overall 2024-2026 Transportation Electrification Plan ("TEP"). The 2024-2026 TEP is a pivotal product to support widespread transportation electrification throughout Colorado. The 2024-2026 TEP follows the Company's inaugural TEP, in which the Commission approved a robust and customer-centric framework to encourage transportation electrification. Since the launch of its first TEP, the Company has had an opportunity to gain valuable customer insights, learn from its new programming, grow its internal resources, and develop leading expertise on the multitude of issues facing customers as they embark on their adoption of electric vehicles ("EV").

With our second TEP, Public Service is building upon its successes and lessons learned. As it does so, the Company is setting a course to further assist the State of Colorado to meet its goal of having 940,000 EVs on the road by 2030. The Company is also mindful of the Commission's voiced interest in evolving the role of Public Service toward service offerings and with less focus on energy sales.

This TEP will move the Company to provide customer solutions by removing barriers to EV adoption, increasing awareness of the benefits of EV ownership, developing intuitive and easy-to-follow EV charging rate designs, and providing necessary infrastructure to support the rapidly increasing adoption of EVs. The Company will provide these customer solutions in a manner that ensures continued downward pressure on rates. I also note that the Company's TEP offerings enhance affordability for our residential customers by reducing their whole household energy costs. When customers make the shift to electrified transportation and take advantage of our low off-peak pricing, they are able to charge at home at a much lower price than with the ever-fluctuating commodity of gasoline.

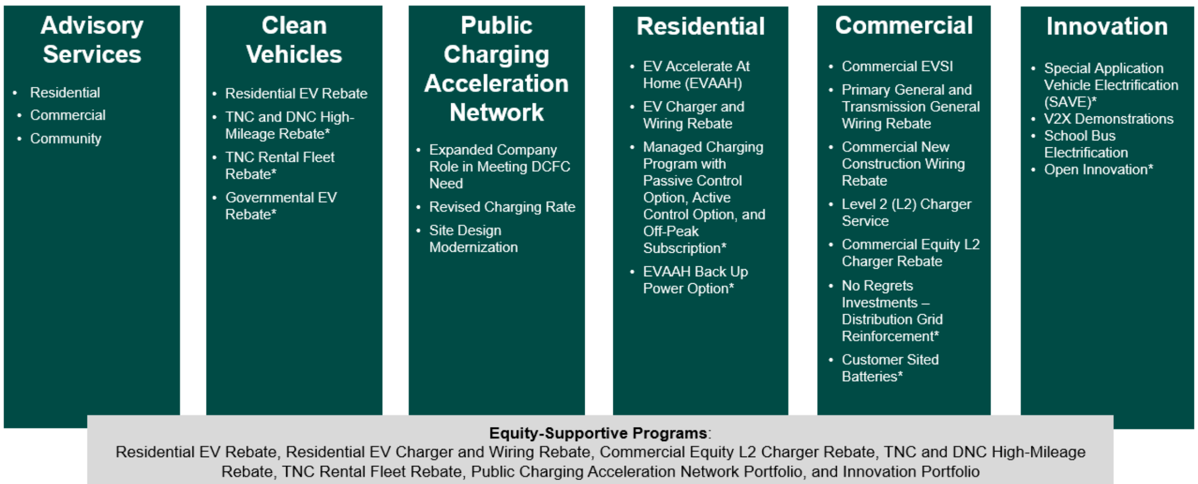
The TEP is complimented by the Company's 2021 Electric Resource Plan and Clean Energy Plan (collectively, the "CEP"). The CEP will enable the Company to reduce emissions from 2005 levels by at least 80 percent by 2030 on its electric system, and move the Company toward providing 100 percent clean energy by 2050. The transition of our generation system to clean energy resources combined with increased EV adoption supported by this TEP provides the framework for the State of Colorado to tackle the emissions from the transportation sector, which is the largest source of greenhouse gas ("GHG") emissions in the State. All customers and the State of Colorado benefit from the significant reduction in emissions associated with the adoption of EVs. By 2030, those emission reductions are estimated to avoid on an annual basis approximately 1.5

million metric tons of carbon dioxide from internal combustion engines in our service territory.

The Company is pleased to present its comprehensive 2024-2026 TEP. This TEP includes substantial new and revised programming options to harness the benefits of the rapidly evolving EV marketplace. That evolution is taking place very quickly, as influenced by new state and federal incentives to stimulate EV adoption, including the Inflation Reduction Act ("IRA") and the Infrastructure Investment and Jobs Act ("IIJA"). With the changes to the EV marketplace, the time is ripe for Public Service's efforts to leverage new available incentives; compliment those incentives with corresponding educational efforts, rate designs, and infrastructure investments; and ensure that all of our customers and the communities we serve can enjoy the benefits and savings of EVs.

To simplify customer understanding and management of the Company's TEP, it is separated into six separate portfolios, which themselves seek to accomplish different goals with separate programming options. In the figure below, the Company provides a snapshot of these portfolios, including their high-level categories of customer programs that provide customer solutions.

2024-2026 TEP Snapshot



* New Program

Through the implementation of these portfolios, the Company will continue to assist Colorado in meeting its EV goals, while also ensuring a balance with non-regulated entities, who are also necessary to invest capital to assist in achieving the State's goals. More specifically, the Company's assessment of EV growth reveals that there is a need for additional EV charging ports across all of its service territory, with room for a multitude of entities to support the infrastructure growth.

The Company's TEP budgets and programs are designed to meet that market demand and assist it in coming to fruition, all while ensuring that our equity-eligible customers are a focal point of the EV transition. Promoting equity is a lynchpin concept in the TEP. The TEP includes a reimagined scope of offerings to support equity, with new equity-eligibility criteria to ensure our various income-qualified ("IQ") customers, Disproportionately Impacted ("DI") communities, and federally recognized Tribe members benefit from transportation electrification. For our equity-eligible customers, the Company is proposing enhanced rebate offerings to lower the cost of a new or used EV, and these offerings are stackable with federal and state incentives to maximize savings opportunities. Those EV rebates are backed-up with EV charging and wiring rebates, allowing equity-eligible customers options to charge at home or at multifamily residences. Moreover, we are supporting innovative projects to electrify the hard-to-reach transportation vehicles that support equity objectives, such as school buses, construction and agricultural equipment.

The Company also proposes to strategically increase into the future the scope of its investments in Direct Current Fast Charging ("DCFC") stations. This proposal will reduce customer range anxiety concerns, and it will allow our customers without access to home charging the access to public charging they need, which is especially important for our equity-eligible customers. Our DCFC investments will provide EV drivers and those considering the purchase of an EV the added confidence that they will have access to reliable charging, and the DCFC infrastructure will facilitate the electrification of medium- and heavy-duty vehicles. The Company's DCFC investments are well balanced with the non-regulated market. They address under ten percent of the overall DCFC need by 2030, meaning that over 90 percent of the DCFC need is addressable with non-regulated entity, state, and federal funding sources. Concurrently, the Company is proposing a demonstration to support battery storage co-location at non-regulated DCFC stations that when combined with the EVSI support the Company is currently offering will further reduce the cost of operating DCFC stations for non-regulated entities throughout our service territory. This effort will continue to support the growth of non-regulated DCFC stations and assist in lowering cost barriers to their build out.

The Company's TEP is backed up with new rate designs and policies to creatively address barriers to EV adoption. Regarding managed charging, the Company is moving towards a more dynamic charging approach, allowing better alignment with the benefits of lower-cost energy and renewable resources with EV charging. The Company is also introducing a new subscription approach to residential EV charging, providing an easy-to-follow option for our customers who are interested in off-peak charging. Regarding rates at Company-owned DCFC stations, we are proposing a revised market rate so as to ensure a reasonable balance of the charging rate with the market. That revised market rate will better support affordable EV charging options. Lastly, the Company presents a new methodology to update its monthly rental products, such as for Level 2 home chargers, allowing the Commission and stakeholders more transparency into future rental rates.

As evidenced by the 2024-2026 TEP itself and the Company's supporting testimonies, the TEP is thoughtfully designed to support widespread transportation electrification and to meet the State's EV goals. With the approval of our 2024-2026 TEP, the Company will have the programs available to meet our customers' needs and equitably ensure the future of transportation electrification benefits all Public Service customers.

**BEFORE THE PUBLIC UTILITIES COMMISSION
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IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN.	)))))	**PROCEEDING NO. 23A-____E**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
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IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN.	**) PROCEEDING NO. 23A-____E**

DIRECT TESTIMONY AND ATTACHMENT OF JACK W. IHLE

I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND RECOMMENDATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jack W. Ihle. My business address is 1800 Larimer Street, Denver, Colorado 80202.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am employed by Public Service Company of Colorado ("Public Service" or the "Company") as Regional Vice President of Regulatory Policy.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Public Service.

Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.

A. I am responsible for overseeing the Company's regulatory filings and strategy as they pertain to resource planning, transmission planning, distribution planning, renewable energy policy, retail product policy, transportation electrification, and other policy matters. A description of my qualifications, duties and responsibilities is set forth in my Statement of Qualifications at the conclusion of my testimony.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my Direct Testimony is to introduce the Company's witnesses, provide an overview of the EV policy landscape, discuss the Company's inaugural TEP, and then present an overview of the 2024-2026 TEP, including on how it reflects the statutory considerations of Senate Bill 19-077 ("SB 19-077"), the State's controlling statute for utility TEPs. Specific to the TEP, I introduce certain new programs, enhancements, and modifications that the Company is proposing. I also address the importance of ensuring equity in the TEP, as it is essential that the benefits of transportation electrification support the Company's income-qualified ("IQ") customers and equity-eligible customers and communities throughout our service territory, as well as our customers who are members of federally-recognized Tribes. Further, I provide testimony on the relationship of this proceeding to other essential Commission proceedings, including on the Company's ongoing processes enabling the clean energy transition. I conclude by addressing the Company's request for deferred cost recovery of litigation and consultant expenses necessary to support this comprehensive TEP.

Q. WHAT ARE YOUR INTRODUCTORY COMMENTS ON HOW THE COMPANY'S 2024-2026 TEP IS IN THE PUBLIC INTEREST?

A. Following the Commission's March 2021 approval of the Company's inaugural TEP, the Company worked with tremendous efforts to implement a full suite of robust programs to provide the benefits of transportation electrification to all of its customers, including launching 14 programs in 2021 alone. The implementation of those brand-new programming options was impacted by COVID-19, supply chain disruptions, and overall economic inflation. Despite these challenges, the Company's inaugural TEP paved a viable path for the Company to assist the State of Colorado's efforts to achieve its ambitious goal of 940,000 EVs on Colorado roads by 2030. The inaugural TEP provided downward rate pressure for customers as presented by Company witness Mr. Derek Klingeman, and it also allowed the Company to support its objectives to continue as a leader in the clean energy transition, enhance the customer experience, and keep bills low.

With the 2024-2026 TEP, the Company is building on the momentum created by its initial TEP by providing offerings that will assist all Public Service customers on their journey to transportation electrification. The offerings of the 2024-2026 TEP are based on successful practices, customer feedback, program interest, lessons learned, and are geared to overcome customer challenges to EV adoption. The offerings are guided by the statutory objectives of SB 19-077, including a focus on equity. They provide greater support to assist the State to achieve its goals for transportation electrification, and they push for technological and program innovation to promote the efficient operation of the electric grid.

This TEP is complimented by the successes of the Company's other planning efforts, most notably its approved CEP. The CEP will enable the Company to reduce emissions from 2005 levels by at least 80 percent by 2030, and assist in providing 100 percent clean energy by 2050. The transition of our generation system to clean energy resources combined with increased EV adoption supported by this TEP provides the framework for the State of Colorado to tackle the emissions from the transportation sector, which is the largest source of greenhouse gas ("GHG") emissions.

As supported by our Company witnesses, the 2024-2026 TEP proposals are holistic, pushing the Company to help the State of Colorado increase EV uptake and achieve statewide goals. The Company's electrification support is further bolstered by new federal and state opportunities, ensuring the maximization of available opportunities to support widespread transportation electrification. With these opportunities, the Company proposes to ensure that the benefits of transportation electrification reach all of our customers, including our equity-eligible customers.

The 2024-2026 TEP is comprehensive, it promotes equity, and the Commission's approval of the TEP will facilitate cleaner air, reduced emissions, and cost savings for the benefit of all customers.

Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR DIRECT TESTIMONY?

A. Yes, I am sponsoring Attachment JWI-1, providing the 2023 Colorado EV Plan.

Q. PLEASE SUMMARIZE THE REQUESTS OF PUBLIC SERVICE IN THIS PROCEEDING.

A. The Company recommends that the Colorado Public Utilities Commission ("Commission") approve the following:

- The Company's 2024-2026 TEP, including its six portfolios and associated programs, filed as Attachment HS-1 to the Direct Testimony of Company witness Ms. Huma Seth;

- The Company's annual TEP budgets for years 2024-2026, as presented by Mr. Jean-Baptiste Jouve;
- The Company's proposal to continue existing TEP programming until it is able to implement the Commission's final approvals for the 2024-2026 TEP, as sponsored by Mr. Ihle;
- The Company's revised budget flexibility proposal, as sponsored by Mr. Ihle;
- The continuation of existing cost and regulatory treatment for TEP rebates, as sponsored by Mr. Ihle;
- The Company's revised eligibility for participation in its equity-focused programs as proposed by Company witness Ms. Nadia El Mallakh;
- The Company's revised charging rates at Company-owned DCFC stations, as presented by Company witness Ms. Deborah Erwin;
- A depreciation rate for battery energy storage systems ("BESS"), as proposed by Company witness Ms. Kelli Duffy;
- A subscription pricing program that provides customers an option for charging their EVs during off-peak hours, as sponsored by Mr. Derek Klingeman;
- New cost methodologies to apply to the Company's calculation of monthly rental rates for charging equipment and BESS, as sponsored by Mr. Derek Klingeman;
- The revisions to the Company's tariffs, as introduced by Mr. Derek Klingeman;
- The adjustment to the Company's TEP reporting requirements, as proposed by Ms. Huma Seth;
- The Company's continuation of the Equity Performance Incentive Mechanism ("PIM"), as proposed by Ms. Deborah Erwin;
- The Company's plan to launch a full Distributed Intelligence program to support EV adoption, contingent on the results of the Company's resolution of certain pre-existing settlement commitments, as sponsored by Mr. Andre Gouin;
- The Company's tariff changes to implement the rates and programs of the 2024-2026 TEP, as introduced by Mr. Derek Klingeman;

- The waiver of the Commission's Distribution System Plan rules, if necessary; and
- The deferral of expenses associated with preparing and litigating this proceeding.

Q. WHAT COMPANY REQUESTS DO YOU SPECIFICALLY SUPPORT IN YOUR DIRECT TESTIMONY?

A. I provide support that the overall TEP and its yearly budgets are in the public interest and that they are consistent with statutory considerations. On more specific issues though, my testimony addresses the following requests that were mentioned in the above discussion:

- The Company's proposal to continue existing TEP programming until it is able to implement the Commission's final approvals for the 2024-2026 TEP;
- The Company's revised budget flexibility proposal;
- The Company's proposal to continue the existing cost and regulatory treatment for TEP rebates;
- The Company's request for a waiver of Distribution System Plan rules, if necessary; and
- The Company's proposal to defer the expenses associated with preparing and litigating this proceeding.

Q. WHAT ARE THE IMPLICATIONS ASSOCIATED WITH THE TIMING OF THE COMMISSION'S APPROVAL OF THE TEP?

A. The Company understands that it is unlikely it will receive a final Commission decision before the end of 2023. Given that potential, the Company requests Commission authority to extend its existing TEP programming into 2024, pending receipt of a final Commission decision and the Company's ability to implement the revised or changed programs. This request highlights the importance of the need to ensure no breaks in TEP programming that could confuse or frustrate customer expectations. Allowing the Company to temporarily extend its existing programming into 2024 will ensure the Company will continue to meet customer demands, while the Commission resolves this proceeding and the Company reflects into its programming the Commission's decisions. Similar practices have been used to ensure continuity in Demand Side Management and Renewable Energy Standard plans programs.

II. WITNESS INTRODUCTIONS

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony, I provide a summary of the Company's witnesses also submitting Direct Testimony in the proceeding, as well as TEP subject matter support of Company witnesses.

Q. PLEASE INTRODUCE THE OTHER COMPANY WITNESSES.

A. The following table provides a summary of each witness and the items their testimonies address.

Public Service Witness	Testimony Subjects
Nadia El Mallakh, Vice President of Clean Transportation, Xcel Energy Services Inc.	• The TEP's role in Colorado achieving its EV goals; • the role of the Company's TEP in advancing the state's emissions reduction goals; and • the equitable and affordable path to transportation electrification and long-term vision for transportation electrification
Huma Seth, Director, Customer Solutions, Clean Transportation	• Overview of the 2024-2026 TEP; • ongoing stakeholder engagement; • TEP reporting requirements; and • the interaction of the TEP with federal, state and local efforts
Deborah Erwin, Director of Clean Transportation Policy and Planning	• Company-owned public fast charging proposal and the rates charged at Company-owned stations; • the equity-focused EV Rebates, and other rebate programs for Clean Vehicles; and • the continuation of the Company's Equity Performance Incentive Mechanism ("PIM")
Jean-Baptiste Jouve, Senior Director, Strategic Partnerships and New Ventures	• The 2024-2026 TEP Budget;

	• the Company's cost-benefit analysis conducted by The Brattle Group; • evaluation of the social cost of carbon and methane; and • support for the Company's EV forecast
Andre Gouin, Business Technology Consultant	• Managed Charging in the 2024-2026 TEP; • the Innovation portfolio;[1] • the residential battery backup option; and • the commercial battery demonstration for DCFC stations
Connie Paoletti, Director, Distribution Transportation Strategy & Delivery	• Distribution grid investments and considerations; and • customer EV supply infrastructure future proofing
Derek Klingeman, Principal Pricing Analyst	• Off-Peak Subscription Pricing • cost methodologies for rental rates and charging equipment; • TEP retail rate impact; • TEP class cost allocation; and • tariff revisions
Kelli Duffy, Principal Rate Analyst	• 2024-2026 TEP revenue requirements; and • depreciation rate for battery energy storage systems

[1] The Company has renamed its Partnerships, Research, and Innovation portfolio as the Innovation portfolio.

III. EV POLICY LANDSCAPE

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony, I provide an overview of the setting of transportation electrification, both from the policy updates ongoing in the State of Colorado and at the federal level.

A. Colorado Policy Developments

Q. PLEASE PROVIDE A BRIEF BACKGROUND OF EV POLICY UPDATES IN COLORADO.

A. The State of Colorado has established an ambitious goal of reaching 940,000 light-duty passenger EVs on the road by 2030. To reach that goal, the State is in turn providing strong policy support for EVs. While there are a multitude of past, present, and proposed initiatives and rulemakings that are advancing the State's interests in the uptake of EVs, my testimony focuses on overall and significant policy initiatives that are directly aimed at EVs, as further bolstered by Company witness Ms. Nadia El Mallakh's testimony.

To start, for approximately six years now, Colorado has offered tax credits to incentivize the purchase and lease of EVs. These tax credits have been ratcheted down over time. Until recently, the State offered a $2,000 tax credit towards the purchase of a new EV and a $1,500 tax credit towards a two-year lease of an EV.[2] On May 11, 2023, Governor Polis signed in to law House Bill 23-1272, which more than doubles the previous tax credit amount to $5,000 towards

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[2] Additional information on the state tax credits is available from the following: https://energyoffice.colorado.gov/zero-emission-vehicles/zero-emission-vehicle-tax-credits

the purchase of a new EV through 2025, and these tax credits are stackable with federal and utility incentives.[3]

Beyond EV purchase tax credits, Colorado has established dedicated funding and grant mechanisms to support transportation electrification. Most notably, in 2021, through Senate Bill 21-260 ("SB 21-260"), the Colorado legislature created new and significant investment portfolios to support EVs. It created a Community Access Enterprise to support installation of EV charging stations and EV rebates for certain customers; created a Clean Fleet Enterprise to support zero-emission fleets; and created a Clean Transit Enterprise to support public transit electrification. Altogether, SB 21-260 supports investment of over $730 million in transportation electrification over the next ten years.[4]

Another notable update involves current and anticipated rulemakings at the Air Quality Control Commission ("AQCC"). The AQCC has approved new rules to support its Advanced Clean Truck Rulemaking, requiring manufactures to sell increasing percentages of zero-emission medium and heavy-duty on-road vehicles, as well as to require heavy-duty manufactures to make cleaner vehicles.[5] This year, the AQCC is also expected to introduce a Colorado Clean Cars rulemaking.[6] That rulemaking will build on previous emission vehicle standards adopted, and it proposes to require vehicle makers to sell more zero emissions

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[3] A consumer's guide to Colorado's new climate-friendly discounts, CPR News, May 12, 2023, available at: https://www.cpr.org/2023/05/12/colorado-climate-discounts/

[4] Attachment JWI-1 at p. 4.

[5] An overview of the Clean Truck Rules is available at: https://cdphe.colorado.gov/press-release/colorado-adopts-new-measures-to-increase-availability-of-zero-emission-trucks-that.

[6] Additional information on this rulemaking is available here: https://cdphe.colorado.gov/coloradocleancars

vehicles ("ZEVs") starting in 2027, with new passenger ZEV sales reaching approximately 82 percent of overall vehicle sales by 2032.[7]

Q. ARE YOU INCLUDING WITH YOUR TESTIMONY AN EV STATE POLICY PROGRESS REPORT UPDATE?

A. Yes. As a reference point to the many Colorado EV policy updates, I am including with my testimony the 2023 Colorado EV Plan, updated in March 2023, marked as Attachment JWI-1. This helpful report references the important role of Public Service in Colorado's EV policy space. It addresses our inaugural TEP investments as a mechanism to significantly accelerate progress of EV uptake, explains the need to work with Public Service to increase EV infrastructure needed to support Colorado's 2030 EV goals, and it also references the need to support expanded investments in vehicles, charging, and other key programs in our 2024-2026 TEP.[8] As this attachment shows, even with the many and significant Colorado policy developments, the Company has an important part to play in helping the State of Colorado reach its 2030 EV goals.

Q. PLEASE EXPLAIN THE STATE'S UTILITY-SPECIFIC LEGISLATION FACILITATING TRANSPORTATION ELECTRIFICATION.

A. In 2019, the Colorado General Assembly enacted SB 19-077, recognizing that utilities have a critical role in bringing Colorado's transportation electrification goals to fruition. This law requires Public Service to submit TEPs for Commission approval on a rolling, three-year basis, with the Company's next TEP due by May

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[7] *See* AQCC March 26, 2023 Presentation, at Slide 19, available at: https://drive.google.com/file/d/191hNNLU4bo6UuXj80xjSAqax7zGQNAcY/view

[8] Attachment JWI-1 at 4, 36

15, 2023. *See* C.R.S. § 40-5-107(1)(a). I provide a greater discussion on SB 19-077 and how it relates to our 2024-2026 TEP further below.

Q. IS THE COMPANY A STRONG SUPPORTER OF COLORADO'S EV GOALS?

A. Yes, without a doubt, the Company is an advocate for the State's goals and efforts to electrify the transportation sector. These Colorado efforts are consistent with our own Company vision to be a net-zero energy provider by 2050 and enabling one out of five vehicles in our service territories (*i.e.*, at least 1.5 million vehicles) to be electric by 2030. The Company's transportation vision also seeks to electrify sedans and light-duty trucks in our fleet by 2030 and 30 percent of medium and heavy-duty Company vehicles by 2030. The Company also sees convenient access to reliable public charging as essential to support the growth of the EV market. With the clean energy transition of our electric generation fleet and the Company's support for transportation electrification, the State of Colorado is well positioned to bring the benefits associated with cleaner air and reduced emissions to its residents.

B. Federal Policy Developments

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony, I provide a brief overview of the IRA and the IIJA enacted by the United States Congress. While I provide introductory comments on the impact of these pieces of legislation on the Company's 2024-2026 TEP, Company witness Mr. Jouve further addresses the impact.

Q. CAN YOU BRIEFLY DESCRIBE THE IRA?

A. Approved by Congress in August 2022, the IRA makes available approximately $370 billion in energy investments. This funding level represents the single greatest investment by the nation to upgrade and modernize its energy system and address climate issues. Investment opportunities include incentives for increasing the development of transmission infrastructure for electricity; incentives for the increased development of clean energy technologies; and expanded incentives to support the transition to electrified transportation.

The IRA primarily offers tax incentives or credits for clean energy investments such as wind and solar generation, electrified appliances, and electric vehicles. At this time, the formal requirements and precise tax incentives associated with many IRA clean transportation opportunities are still under development by the federal agencies administering those programs. Until those rules are released, and the Company has had time to consider them, it is premature to estimate how those programs may be utilized by Public Service in its TEP. Nonetheless, Public Service will engage with state and federal entities as appropriate to ensure programming in Colorado is supported and communicate with our customers, trade partners, and communities to ensure they are aware of the benefits.

Q. PLEASE DISCUSS EV-RELATED BENEFITS STEMMING FROM THE IRA.

A. The Company's customers may be able to use tax credits in the IRA for the purchase or lease of new or used cars, as well as a tax credit for residential charging equipment. The EV purchase and lease tax credits included in the IRA provide a $7,500 credit for new vehicle purchases and leases (subject to certain critical material, domestic assembly, MSRP, and income requirements). The IRA has also removed the previous 200,000-vehicle cap for tax credit eligibility, allowing manufacturers like Tesla to offer vehicles with eligibility support for EV offerings by the most successful EV manufacturers. The IRA also supports the used EV market, with tax credits of $4,000 or 30 percent of the sale price, depending on the vehicle's price and age and the purchaser's income.

The IRA provides tax credits for alternative fuel refueling property, which includes EV chargers. For commercial EV charging equipment, the tax credit is up to 30 percent of the total cost of equipment and installation on business property, provided the prevailing wage and registered apprenticeship requirements are met along with location requirements, with up to $100,000 of tax credit available per station.[9]

Q. CAN YOU BRIEFLY DESCRIBE THE IIJA?

A. Passed by Congress in November 2021, the IIJA is a $1.2 trillion infrastructure package that provides $550 billion for new initiatives that seek to address issues facing the nation's infrastructure. The IIJA is aimed at rebuilding the nation's roads and bridges, addressing drinking water contamination and environmental remediation, allowing for improvements to public transit, preparing for expanded EV adoption, expanding access to high-speed internet, and more. More specifically to utilities, the IIJA earmarks approximately $73 billion for power and

[9] Information on the Alternative Fuel Infrastructure Tax Credit is available here: https://afdc.energy.gov/laws/10513

grid infrastructure upgrades.[10] This funding is being made available to support grid resiliency and reliability efforts, transmission projects, and the increased use of clean energy resources, funding for the build out of EV infrastructure, energy efficiency programs, and cyber security.

The National Electric Vehicle Infrastructure ("NEVI") program, established under the IIJA, primarily supports public charging located in specific travel corridors throughout the nation. These travel corridors have been designated as alternative fuel corridors ("AFC") and are located along interstates and highways. The IIJA also established a $2.5 billion discretionary nationally competitive grant program that is meant to complement the NEVI funds. This competitive funding has the potential to fund EV charging in communities and along corridors other than AFCs and interstate highways.

Q. DOES THE IRA OR IIJA HAVE IMPACTS ON THE COMPANY'S 2024-2026 TEP?

A. Company witness Mr. Jouve provides information on the impacts of these federal acts on the TEP budget, which in turn reflects our programming assumptions. That said, I have more high-level feedback on the TEP relationship to the acts.

For the IRA, with the new EV tax credits, along with state tax credits, there is potential for complementary Company EV rebates to greatly bring down the price of EVs and make them accessible to our equity-eligible customer groups. Also related to the IRA, there is potential for the Company's receipt of tax credits in

[10] See Commission Decision No. C23-0066 in Proceeding No. 23M-0053ALL at p. 2.

developing EV charging stations (as well as third-party developer receipt of such tax credits), but further guidance and understanding is still necessary from the Internal Revenue Service and the U.S. Treasury, as well as the Company's internal resources. More broadly on the IRA, it will lead to an increase in EV adoption. That adoption growth can be greatly assisted with Company TEP programming, such as wiring assistance, public charging infrastructure, and managed charging programs.

Turning to the IIJA, the Company expects the IIJA to work in concert with TEP program offerings to assist greater EV adoption, supporting the build out of the infrastructure needed to support a growing EV market, providing funding to communities as they look to make EV charging more readily available, and promoting the shift to clean transportation. More specifically, the Company understands that through the NEVI program Colorado will receive an allocation of funding in the amount of $56.5 million over the next five years to support the construction of DCFC stations along designated EV corridors[11]. The Company intends to apply for state and federal grant funding as appropriate, as well as support state agencies and communities in their applications for funding.

The IRA and IIJA offer opportunities to the Company to develop complementary programming to leverage and maximize opportunities to promote widespread adoption of transportation electrification. The Company has designed its TEP programming with these opportunities in mind.

[11] Attachment JWI-1 at 6. *See also* Colorado's NEVI Plan, available at: https://www.codot.gov/programs/innovativemobility/electrification/nevi-plan

Q. IF THE COMPANY IS AWARDED FUNDING GRANTS FROM THE IRA OR THE IIJA, HOW WILL THOSE GRANTS IMPACT THE COMPANY'S TEP BUDGETS?

A. The Company's receipt of grants and new funding opportunities may lower the Company's actual TEP costs as collected through the Transportation Electrification Programs Adjustment ("TEPA") rider, or may increase participation while maintaining the budgets we have proposed. The Company's updates to the TEPA rider will reflect and show the cost associated with applicable IRA or IIJA funding received by the Company, as well as State of Colorado funding opportunities.

IV. INAUGURAL TEP

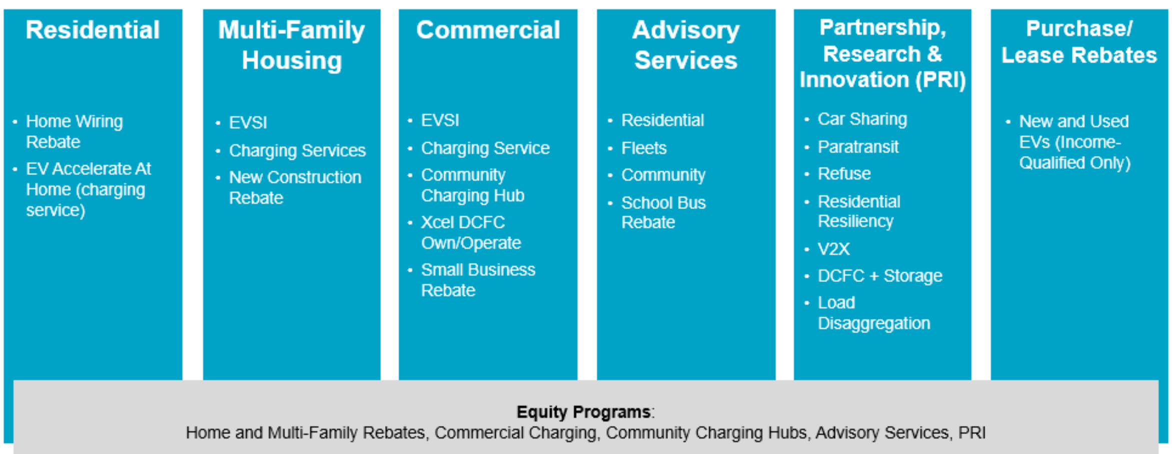
Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. This section addresses our first TEP, covering years 2021-2023, its results, and how the Company is building upon the initial set of lessons learned.

Q. HOW DID THE COMPANY'S 2021-2023 TEP SUPPORT THE EV GOALS OF THE STATE OF COLORADO?

A. The 2021-2023 TEP, as approved by the Commission, was designed with six portfolios, shown below, to address all sectors of the EV market and to help stimulate the shift to increasing levels of EVs on Colorado roads.

Figure JWI-D-1 2021-2023 TEP Snapshot



The Residential portfolio included wiring and charger rebates and a home charging service to address home charging needs, while our managed charging programs helped customers manage their bills and support the grid. Our MFH and Commercial portfolios provided Company-owned EV Supply Infrastructure ("EVSI") for projects, optional charger services, and rebate support for small businesses and new construction. Commercial programs also promoted the development of Community Charging Hubs and the deployment of Company-owned DCFC charging stations.[12] The Advisory Services portfolio assisted all customers on their journey to transportation electrification. The Innovation portfolio created the opportunity for research and piloting of emerging technologies and innovative strategies to advance transportation electrification and to integrate EVs more effectively with other grid resources. Lastly, the Company's EV Purchase and Lease Rebates for IQ customers aimed at making the shift to EVs more affordable and approachable for Public Service's IQ customers. The Company's approved portfolios worked to remove barriers to EV adoption, increased awareness of the benefits of the transition to transportation electrification, and helped the State achieve its EV goals.

Q. HOW HAS THE COMPANY'S FIRST TEP PERFORMED?

A. Through the first TEP, the Company was able to launch all of its first-of-their-kind programs. It has also now achieved participation in all 22 programs and has launched seven additional projects through the Innovation portfolio. The implementation of all Company programming involved herculean efforts. The Company diligently worked to grow its internal transportation expertise, implemented cutting-edge programming, and responded in real time to enormous and unforeseeable challenges. These challenges include, but are not limited to, delays in program implementation due to the timing of receipt of a final Commission decision and the time necessary to stand up new programming;

[12] The Company currently has two signed agreements to develop Community Charging Hubs, which are currently under development.

impacts from COVID-19; supply chain disruptions (such as microchip shortages) that have fundamentally altered the EV marketplace; and inflationary pressures that have stressed the ability of the Company's TEP incentives to convince customers to use our programming.

Nevertheless, recent upticks in program enrollments are encouraging and set the stage for growth, especially as new state and federal incentives begin to enter the marketplace. Also note that the share of EVs sold in Colorado have grown from approximate levels of 4.5 percent of overall sales in the start of 2021 to 10.5 percent by the end of 2022, showing the significant and continued interest Colorado residents have in adopting EVs.[13]

As shown in the table below, the Company's program participation numbers have grown year over year.

Table JWI-D-1: 2021-2023 TEP Participation Growth

	Charging Station Ports/Rebates Awarded by Program (as of 9/1/2021)	Charging Station Ports/Rebates Awarded by Program (as of 3/1/2022)	Charging Station Ports/Rebates Awarded by Program (as of 9/1/2022)	Charging Station Ports/Rebates Awarded by Program (as of 3/1/2023)
Total	20	1733	3296	4240

[13] Information on historical EV growth trends can be found from the Colorado Automobile Dealers Association outlook archive, available here: https://www.colorado.auto/colorado-auto-outlook-archive.

Q. HOW DID THE COMPANY'S TEP BUDGET PERFORM DURING 2021 THROUGH MARCH 2023?

A. Generally, because program participation levels have, in aggregate, been lower than initially estimated, the Company has not had needs to spend close to its approved Commission budgets. In the following table, I show the percent of budget that the Company has used through March 1, 2023 by portfolio.

Table JWI-D-2: TEP Budget Spend

Portfolio	2021-2023 TEP Approved Budget	Actual Spend	Percent of Approved Budget	Equity Actual Spend	Equity Percent of Actual Spend
Residential	$18,199,000	$8,845,373	49%	$876,383	10%
Multifamily Housing	$8,269,000	$3,334,901	40%	$17,600	1%
Commercial	$50,110,000	$6,624,096	13%	$149,575	2%
Innovation	$10,000,000	$7,094,754	71%	$5,198,774	73%
Advisory Services	$13,102,000	$2,913,756	22%	$1,656,076	57%
EV Purchase and Lease Rebates	$4,986,000	$571,500	11%	$571,500	100%
Total[14]	$108,366,000	$28,944,144	27%	$8,469,908	29%

From the above, a key takeaway is that the budget spend has matched market demand, regardless of the budget maximums approved by the Commission. In this manner, customers have funded the amount of TEP participation that has existed, and they were not negatively impacted by the

[14] The total reflected in the table includes all IT costs for the entire TEP.

Commission's establishing of larger overall budgets than were necessary to support demand. Also relevant, Company witness Mr. Klingeman explains that across the inaugural TEP, the Company's programming placed overall downward pressure on rates, allowing all customers to benefit from the TEP expenditures incurred.

Q. BASED ON ITS IMPLEMENTATION OF ITS INAUGURAL TEP, WHAT IS THE COMPANY'S GENERAL APPROACH ON ITS EFFORTS NECESSARY TO SUPPORT ITS NEXT TEP?

A. Stated simply, now is not time to scale back our efforts. The 2024-2026 TEP is a crucial opportunity to accelerate the momentum we have assisted in building towards transportation electrification. We have successfully managed significant headwinds in implementing one of the most robust sets of EV offerings in the nation. Going forward, as Colorado and the federal government implement new EV supporting policies, the Company can leverage its experiences, customer feedback, and programming to support large-scale expansion of the EV market. The Company is committed to its efforts to drive widespread adoption of EVs. We are primed and ready to help lead efforts to make Colorado's EV goals a reality.

V. THE COMPANY'S 2024-2026 TEP

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

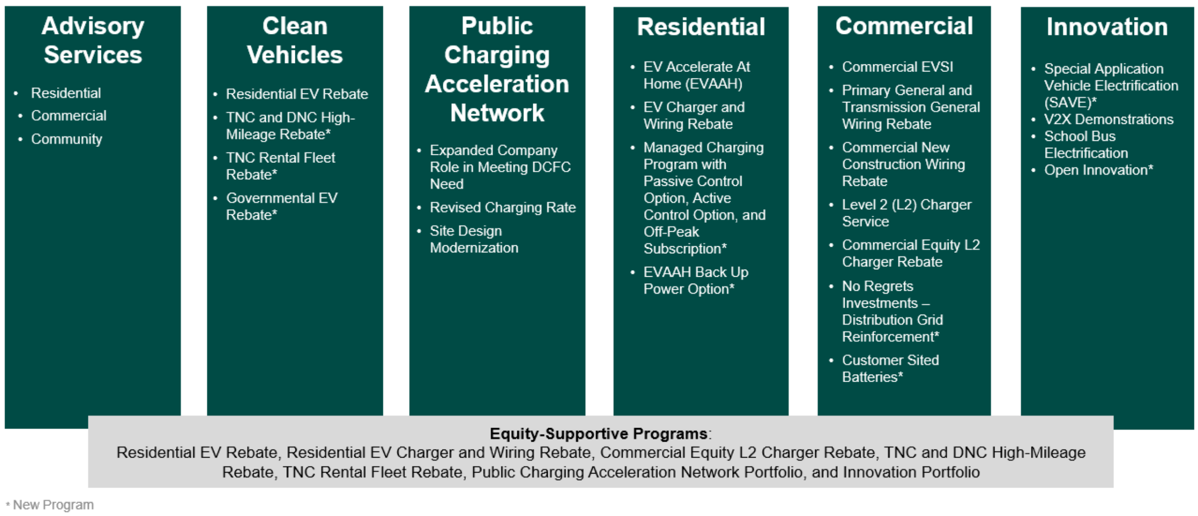
A. In this section of my Direct Testimony, I provide an overview of the Company's 2024-2026 TEP in light of the statutory considerations of SB 19-077, the treatment and recovery of costs of the TEP, and the continued need for budgetary and administrative flexibility. I also highlight some of the new programs and key enhancements proposed, including the Company's proposed expansion of its DCFC network of stations. While my testimony is an introduction on these issues, other Company witnesses and our 2024-2026 TEP itself (Attachment HS-1) address these topics in further detail.

Q. PLEASE PROVIDE A BRIEF INTRODUCTION OF THE COMPANY'S PROPOSED TEP OFFERINGS FOR THE PLAN YEARS 2024-2026?

A. The Company brings forward its 2024-2026 TEP with the intent of addressing three key policy and customer goals that are critical to increase the momentum of the first TEP and maintain progress to support Colorado in achieving its EV goals. The 2024-2026 TEP will: (1) accelerate the pace of EV adoption in Colorado, (2) assist in providing benefits of transportation electrification to all Public Service customers, and (3) provide tools to help optimize the use of the grid for EV charging.

Similar to the initial TEP, the 2024-2026 TEP addresses several sectors of the EV market. The Company is proposing six select portfolios, including Advisory Services, Clean Vehicles, Public Charging Acceleration Network, Residential, Commercial, and the Innovation portfolios, as shown in the figure below.

Figure JWI-D-2: 2024-2026 TEP Snapshot



Together, these offerings build upon the successes of the first TEP and adapt to lessons learned. The 2024-2026 TEP acknowledges the needs of our customers, provides the State support on its journey to 940,000 EVs on Colorado roads by 2030, and addresses the public charging needs that are necessary to fully support this growth in the EV market. Company witness Huma Seth sponsors the TEP document (Attachment HS-1). The TEP document itself is a helpful tool in discussing specific modifications and enhancements to current TEP programs.

Q. HOW IS THE REMAINDER OF THIS SECTION OF YOUR TESTIMONY ORGANIZED?

A. I begin by addressing SB 19-077, the controlling statute on the TEP. I provide testimony on how the 2024-2026 TEP is consistent with SB 19-077. I then address the Company's proposed continuation of the cost recovery treatment for the TEP. Next, I testify on the budget and flexibility provisions necessary to support the TEP, followed by a discussion on notable TEP programs and enhancements. Lastly, I introduce the Company's bold vision for supporting public charging networks.

A. Statutory Considerations

Q. CAN YOU PROVIDE SOME MORE DETAIL ON SB 19-077 AND THE OBJECTIVES OUTLINED IN THAT LEGISLATION?

A. Yes. SB 19-077 was a groundbreaking law that provided clear direction to Public Service to become a foundational partner in the transportation electrification space. Prior to the passage of SB 19-077, there were considerable questions on the role investor-owned utilities should have in making investments to support the EV market. However, with enactment of SB 19-077, the legislature not only welcomed utility investment in the EV space, but directed it through the filing of three-year TEPs, assisting the market and continuing its evolution and growth. The requirements of SB 19-077 are premised on the law's intent to result in "[w]idespread adoption of electric vehicles . . . to diversify the transportation fuel mix, improve national security, and protect air quality."[15]

Q. WHAT FACTORS DOES SB 19-077 DIRECT THE COMMISSION TO CONSIDER AS IT EVALUATES A TEP?

A. The Commission must consider whether the application seeks to "minimize overall costs and maximize overall benefits."[16] The statute also provides factors for the Commission's consideration when evaluating TEPs,[17] including whether the investments are:

[15] SB19-077, Section (1)(a).
[16] C.R.S. § 40-5-107(1)(b).
[17] C.R.S. § 40-5-107(2)

1. Reasonably expected to improve the use of the electric grid, including improved integration of renewable energy;
2. Reasonably expected to increase access to the use of electricity as a transportation fuel;
3. Designed to ensure system safety and reliability;
4. Reasonably expected to contribute to meeting air quality standards, improving air quality in communities most affected by emissions from the transportation sector, and reducing statewide emissions of greenhouse gases by forty percent below 2005 levels by 2030 and eighty percent below 2005 levels by 2050;
5. Reasonably expected to stimulate innovation, competition, and increased consumer choices in electric vehicle charging and related infrastructure and services; attract private capital investments; and utility high-quality jobs and skilled worker training programs as defined in C.R.S. § 8-83-303;
6. Transparent, incorporating public reporting requirements to inform design and Commission policy; and
7. Reasonably expected to provide access to low-income customers, in the totality of the utility's transportation electrification programs, which may include community-based and multi-family charging infrastructure, car share programs, and electrification of public transit, while giving due consideration to the effect on low-income customers.

Q. IS THE COMPANY'S 2024-2026 TEP ALIGNED WITH THE STATUTORY CONSIDERATIONS OF SB 19-077?

A. Yes. I am not an attorney, and the Company's Statement of Position can address issues of statutory compliance. However, from my perspective, the comprehensive nature of our TEP and its build out from our inaugural TEP align it well with the considerations of SB 19-077. The TEP document speaks for itself on these issues. In addition, other Company witnesses in turn address programming decisions consistent with SB 19-077. Nevertheless, I will address in the below section of my testimony examples and high-level factors showing how the TEP is consistent with statute.

Q. HOW DOES THE TEP SEEK TO MINIMIZE OVERALL COSTS AND MAXIMIZE OVERALL BENEFITS?

A. The 2024-2026 TEP minimizes overall costs and maximizes overall benefits. Similar to our prior TEP, the 2024-2026 TEP and associated EV growth will continue placing downward pressure on rates, providing benefits to both TEP participants and non-participants. In addition, the Company had a third party conduct a cost-benefit analysis of transportation electrification that incorporates the TEP. That analysis was conducted by the Brattle Group, and it is provided as Attachment JLJ-2 to the Direct Testimony of Mr. Jean-Baptiste Jouve. Among the notable findings of the analysis are that the benefits of EV adoption in our service territory in accordance with Colorado's 2030 EV goal will lead to approximately 1.5 million metric tons of avoided carbon from internal combustion engines on an annual basis by 2030. Over the long term of 20 years, transportation electrification reduces carbon dioxide emissions by approximately 26 million metric tons. Mr. Jouve provides that the societal benefit of transportation electrification over this time period results in $6.4 billion of net benefits.

The Company also is proposing enhancements to its inaugural TEP programming to strengthen the benefits and minimize costs. As an example, the

Company is proposing to expand its eligibility criteria for its EV Purchase and Lease rebates to be inclusive of customers that reside in equity-eligible communities throughout our service territory. Expanding eligibility to these residents will reduce the costs of EV ownership for these customers while also allowing for increased benefits, including from pollution reduction in these communities.

Q. HOW DOES THE 2024-2026 TEP REASONABLY "IMPROVE THE USE OF THE ELECTRIC GRID, INCLUDING IMPROVED INTEGRATION OF RENEWABLE ENERGY?"

A. Improved and expanded managed charging offerings are critical to support the efficient operation of the grid, including to support the shifting of customers' EV charging to times of high renewable penetration. With the Company's electric generation continuing its clean energy transition, especially with the implementation of our CEP, the Company can leverage managed charging to support renewable integration and reduce renewable curtailment. Towards this end, the Company is proposing to harness the full benefits of active control managed charging through its Charging Perks offering and is planning for the retirement of its current passive control charging program (Optimize Your Charge). Charging Perks is designed to actively support our electric grid by charging EVs when renewable production is high and also when demand on the grid is low. Through our focus on Charging Perks, the Company is maximizing the potential benefits of EVs to complement the transition of our generation resources to clean and zero-emission resources. The Company is also planning a Charging Perks pilot for commercial customers, allowing us to further assess how a comprehensive active control managed charging program can encourage our fleet customers to charge their EVs at times that maximize the benefits for the grid's operation.

The Company is preparing for the future through its Innovation portfolio. This portfolio is advancing efforts to understand the capabilities and possible grid benefits of Vehicle-To-Everything ("V2X") technology. V2X technology encompasses our efforts to promote Vehicle-To-Home, Vehicle-To-Building, Vehicle-to-Grid, and other similar technologies. These technologies are still early in development. However, the Company is expanding its efforts to support V2X, including with investments in demonstration projects and operational tools.[18]

Q. HOW DOES THE 2024-2026 TEP REASONABLY "INCREASE ACCESS TO THE USE OF ELECTRICITY AS A TRANSPORTATION FUEL?"

A. The Company's 2024-2026 TEP builds off the successes of the 2021-2023 TEP by enhancing and adjusting programs that are already in market to address the needs of our customers and further support transportation electrification. The 2024-2026 TEP offers new programs and enhances existing programs to accelerate the momentum of the shift to using electricity as a transportation fuel. Across six portfolios, the Company brings forward a TEP that seeks to address all portions of the EV market, paving the way for greater EV adoption and making the benefits of EVs available to all Public Service customers. The TEP programs are specifically designed to encourage and support the increased adoption of EVs in

[18] Company witness Mr. Gouin discusses the Company's managed charging and V2X proposals in greater depth in his Direct Testimony.

Colorado, and in turn support increased access to electricity as a transportation fuel.

From a vehicle perspective, our TEP offers multiple EV rebate options to support a wide range of customer segments, including transportation network companies ("TNC"), delivery network companies ("DNC"), rental car companies offering EVs to TNC drivers at a discounted rate, state and local governments, and both income-qualified and customers in disproportionately impacted communities. We are also pursuing the electrification of hard-to-electrify vehicles, including those used to support agriculture, farming, and ranching.

From a charging infrastructure perspective, the Company is continuing and enhancing its TEP programming. For residential customers, we are updating our incentives and expanding our offerings, including with new infrastructure options to facilitate Vehicle-To-Home EV integration. For commercial customers, we are simplifying and consolidating programming to reduce customer confusion and allow for better program marketing. We are also updating our incentives and are expanding equipment options to facilitate curbside capable EVSI, allowing the Company to assist municipalities in the development of charging solutions on city streets, and are proposing a new rental option for BESS to pair with third-party owned DCFC stations.

Moreover, the Company's Public Charging Acceleration Network aims to fulfill a need for public charging that is essential to support the continued growth of EVs on Colorado roads and increase the availability of fast charging for all EV drivers. This program will greatly expand the access to electricity as a transportation fuel for all EV drivers, consistent with SB 19-077.

Q. HOW DOES THE 2024-2026 TEP "ENSURE SYSTEM SAFETY AND RELIABILITY?"

A. Public Service always plans to ensure safety and reliability. Specific to the TEP, the Company is committed to the labor requirements of section 40-5-107(3), C.R.S. These requirements help ensure that infrastructure work on the customer side of the meter is undertaken with appropriate experience, expertise, and training opportunities. They also ensure that the Company's own charging stations continue to use qualified employees and qualified contractors.

The Company is continuing its TEP programming opportunities that support investments in safe and reliable charging facilities and necessary wiring. Our residential customers can continue to take advantage of the EV Charger and Wiring Rebate to offset the costs of home wiring necessary to better ensure that EV charging is undertaken in a safe and reliable manner. Commercial customers can also continue to use our Commercial EVSI program, where the Company will own, install, and maintain necessary infrastructure to ensure safe and reliable dedicated EV service at no cost to the customer.

As a new enhancement in this TEP, the Company is proposing new customer and grid enhancement programs. These seek to prepare the grid and customers for future growth in EV adoption. Our proposed No Regrets distribution investments will identify projects that are needed to support the growth in load from EV adoption and maintain the safe and reliable operation of the grid. The customer

EVSI future proofing proposal will prepare customers now for the future growth in EVs, allow for more efficient installation of EVSI, and make certain that the EVSI in place for future charging is done in alignment with the Company's safety standards and commitment to reliability.

Q. HOW DOES THE 2024-2026 TEP REASONABLY "CONTRIBUTE TO MEETING AIR QUALITY STANDARDS, IMPROVING AIR QUALITY IN COMMUNITIES MOST AFFECTED BY EMISSIONS FROM THE TRANSPORTATION SECTOR, AND REDUCING STATEWIDE EMISSIONS OF GREENHOUSE GASES BY FORTY PERCENT BELOW 2005 LEVELS BY 2030 AND EIGHTY PERCENT BELOW 2005 LEVELS BY 2050"?

A. The 2024-2026 TEP is designed to support and accelerate the adoption of EVs throughout Colorado, including to achieve Colorado's goal of 940,000 EVs by 2030. The transportation sector is currently responsible for the largest portion of the State's greenhouse gas emissions.[19] With that contribution of GHGs, the Company's TEP has great potential to facilitate large reductions in emissions through transportation electrification. As complimented by the TEP, the Company's third-party, cost-benefit analysis finds that EVs will reduce over a 20-year period approximately 26 million metric tons of carbon dioxide from internal combustion engines.

Regarding communities most affected by transportation emissions, the Company is expanding an enhanced incentive model to a broader set of equity-

[19] Attachment JWI-1 at p. 3.

eligible communities. Providing robust support for equity-eligible communities will begin to assist in addressing the historical inequity faced by these communities, including those due to air quality impacts from the transportation sector. Through the Innovation portfolio the Company also plans to work with school districts to electrify school buses to reduce emissions from this sector, assist these customers in shifting to an electrified school bus fleet, and reduce exposure to emissions for students.

Q. HOW DOES THE 2024-2026 TEP REASONABLY "STIMULATE INNOVATION, COMPETITION, AND INCREASED CONSUMER CHOICES IN ELECTRIC VEHICLE CHARGING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH-QUALITY JOBS AND SKILLED WORKER TRAINING PROGRAMS?"

A. Our Innovation portfolio addresses innovation by supporting and enhancing innovative projects in their early stages. These projects include those that: (1) involve special vehicle types; (2) promote a better understanding of V2X; (3) accelerate school bus electrification; and (4) address rapidly evolving needs. The Innovation portfolio is essential to promote the next wave of the Company's TEP programs and support the overall transportation electrification market.

Competition and increased consumer choices are key themes and goals reflected through the sum of the TEP. The Company's TEP reasonably balances Company ownership opportunities with rebate and rental opportunities. The TEP also provides a pathway for the Company to engage in market areas where there is not enough competition or infrastructure buildout to support the State's needs, such as in DCFC stations. Moreover, customer programming opportunities, such as EV Accelerate At Home and EVSI rebates for our Primary General ("PG") and Transmission General ("TG") customers, offer our customers choices in selecting their charging equipment and electrician. The breadth and robustness of the TEP ensure competition and consumer choices are reasonably enhanced.

Buttressing our programming, the Advisory Services portfolio promotes EV awareness through multi-faceted efforts and numerous communication channels. This portfolio is continuing its efforts to grow trade ally support, it spends advertising dollars where we have seen the greatest successes, and it improves customer-facing tools to ease difficulties in navigating the many EV options that now exist and our related programming support.

Lastly, as I've already addressed, our TEP ensures the use of high-quality jobs and skilled worker training programs.

Q. DO YOU HAVE ANYTHING TO ADD REGARDING THE COMPANY'S USE OF ORGANIZED LABOR IN THIS TEP?

A. Yes, as was the case in its inaugural TEP, the Company maintains its commitment to use external contract labor for Company-owned infrastructure investments. The Company intends to continue to work with IBEW Signatory electrical contractors for this work. As mentioned previously, the Company's residential and PG and TG offerings do allow the customer to choose their electricians, but for Company-owned infrastructure projects the Company will maintain the approach it has employed for both its initial TEP offerings and the EVSI projects approved in Proceeding No. 19A-0471E.

Q. HOW IS THE 2024-2026 TEP "TRANSPARENT, INCORPORATING PUBLIC REPORTING REQUIREMENTS TO INFORM DESIGN AND COMMISSION POLICY"?

A. The Company has provided semi-annual reporting covering dozens of metrics on its initial TEP since October 2021. The reporting metrics were approved through Decision No. C21-0017 in Proceeding No. 20A-0204E and were based upon what the Company proposed as well as several metrics put forward by intervenors. As directed through Decision No. C21-0117, the Company worked with stakeholders to design and refine the siting approach related to its owned DCFC stations and filed a report with the Commission regarding that process in December 2021. Similarly for the Equity PIM that was agreed to in principle in Proceeding No. 20A-0204E, the Company worked with stakeholders to further develop that PIM and filed an August 2021 report to inform the Commission on the stakeholder process, the potential goals, metrics, and structure of a PIM. The Company's reporting requirements have also continued to grow to now include reporting metrics around the approved Schedule S-EV rate, Schedule S-EV-CPP rate, the Company's owned and operated DCFC stations, and the Equity PIM as approved in Proceeding No. 21AL-0494E.

The Company's reporting has provided a transparent view of the progress made through implementation of its first TEP, our engagement with stakeholders to further refine elements of the TEP, opportunities to learn and refocus efforts as we designed our 2024-2026 TEP, and robust information for the Commission to consider when it is evaluating proposed TEPs and EV policy in general.

With the 2024-2026 TEP, the Company is proposing natural refinements to its reporting requirements. In particular, it is now appropriate to shift to an annual reporting requirement, as opposed to the current semi-annual requirement. For the inaugural TEP, semi-annual reporting was helpful, given the brand new TEP undertakings. However, now with the establishment of the Company's programming and activities, TEP reporting should follow an annual reporting cycle, such as aligned with the Company's other reporting requirements, including for its Renewable Energy Plans, Electric Resource Plans, and Demand Side Management Plans. Company witness Ms. Huma Seth discusses the Company's reporting proposal in more detail in her Direct Testimony.

Q. HOW DOES THE 2024-2026 TEP REASONABLY "PROVIDE ACCESS FOR LOW-INCOME CUSTOMERS, IN THE TOTALITY OF THE UTILITY'S TRANSPORTATION ELECTRIFICATION PROGRAMS, WHICH MAY INCLUDE COMMUNITY-BASED AND MULTI-FAMILY CHARGING INFRASTRUCTURE, CAR SHARE PROGRAMS, AND ELECTRIFICATION OF PUBLIC TRANSIT, WHILE GIVING DUE CONSIDERATION TO THE EFFECT ON LOW-INCOME CUSTOMERS?"

A. The Company was committed to making the benefits of transportation electrification available to all customers in its first TEP, and it maintains that commitment in its 2024-2026 TEP offerings. As we developed this TEP, we consistently heard from stakeholders a desire for a continued and strengthened focus on equity. With that in mind, the Company is aiming to address equity across all its TEP portfolios, make access to transportation electrification and its benefits available to all in an easy to attain manner, and continue to embrace and accelerate innovative projects that seek to further electrify all sectors of transportation. Through this TEP, the Company is proposing a budget that provides estimated funding support to equity objectives that is based on market demand and reflects a range of approximately 20-30 percent of budget depending on customer participation in programs and other variables, as addressed by Mr. Jouve. The Innovation portfolio also includes a spending commitment of at least 30 percent of its budget to advance equity.

A central component of our revised approach to providing equity involves the focus on increasing access to the benefits of EVs for customers in equity-eligible communities. We are specifically undertaking a strategy shift to ensure that our current IQ programming options are expanded to serve a wider base of customers, including those in DI communities as defined by HB 21-1266 and documented in EnviroScreen,[20] those located in a Justice40 Disadvantaged Community, or those enrolled in federally recognized Tribes. Building off of this strategy, in the below, I provide additional examples of how the Company is addressing equity:

- The Company is enhancing the EV Purchase and Lease Rebate to make it more widely available with the aim of reducing barriers to the adoption of EVs, streamlining processes, and increasing the number of EVs on Colorado roads;

[20] This definition is described in further detail in the Company's 2024-2026 TEP, Attachment HS-1 to the Direct Testimony of Company Witness Huma Seth.

- Our Innovation portfolio continues to focus on equity-driven projects by proposing pilots aimed at the agricultural sector, hard to electrify fleets, and electric school buses;
- The Company is enhancing its Advisory Services portfolio to make customers more aware of TEP offerings and the benefits of transportation electrification; and
- The Company is maintaining the Equity PIM, which incentivizes the Company to focus its efforts towards greater participation in its equity driven program offerings.

More details on how the Company is addressing equity and creating pathways for all Public Service customers to realize the benefits of transportation electrification can be found in the Direct Testimony of Company witness Ms. Nadia El Mallakh.

B. <u>TEP Cost Treatment and Recovery</u>

Q. DOES SB 19-077 ALLOW THE COMPANY TO EARN A RETURN ON TEP INVESTMENTS AND REBATES?

A. Yes, section 40-3-116(1)(a), C.R.S., allows the Company to earn a return on TEP investments, including rebates, at the weighted average cost of capital ("WACC"). In approving the Company's inaugural TEP, the Commission in Decision No. C21-0017 at Paragraph 80, stated that allowing the Company to earn a return on its investments and rebates at WACC is expressly allowed by section 40-3-116(1)(a), C.R.S., and "this approach is consistent with commission decisions in other jurisdictions." The Commission also found in Paragraph 82 that a ten-year period for amortization of rebates is appropriate in part because "the assets associated with these rebates are expected to provide system benefits for years to come."

Q. IS THE COMPANY PROPOSING CHANGES TO THE RECOVERY AND AMORTIZATION OF INVESTMENTS AND REBATES AS A PART OF ITS TEP?

A. Generally, no, the Company is not proposing to deviate from the approved treatment of its investments and rebates, where the Company earns its WACC and uses the previously approved amortization periods. This treatment allows the Company to make investments now to support our customers and the State's EV goals, while also spreading the costs out over a longer period of time to lessen the impact to all Public Service customers. This treatment is comparable to the manner in which the Company makes other investments in the distribution grid, as directed by section 40-1-103.3(6), C.R.S. In addition, the Company's WACC represents its true financing cost, and it is appropriate to reflect that cost for the Company's investments.

I also note that Colorado is still in the early days of the shift to transportation electrification. The Company is well positioned to continue its market support, but it requires cost treatment of its investments and rebates on a comparable basis as it makes its other investments. That similarity of cost treatment provides an incentive to the Company to make its TEP a central component of its business operations, allowing it to deploy its capital to support the further growth of transportation electrification and its associated needs.

As for a new issue to this TEP, the Company is proposing a cost treatment for batteries, as addressed by Company witness Ms. Kelli Duffy.

Q. WHY DOES THE COMPANY BELIEVE IT IS APPROPRIATE TO MAINTAIN THE CURRENT TREATMENT OF UTILITY INVESTMENTS AND REBATE OFFERINGS FOR ITS TEP PROGRAMS?

A. Incentivizing the Company to expand its TEP offerings with WACC treatment and amortizing rebates strikes the appropriate balance to encourage continued utility investment in transportation electrification and providing robust support to the State to help it achieve its EV goals and its emission reduction requirements. If the Commission were to alter the treatment of utility investments by reducing the Company's potential return, such treatment may have the undesired effect of discouraging the Company from continuing its aggressive transportation electrification support. Now is not the time to slow down investments and growth opportunities in the EV marketplace. In this TEP, the Company is seeking to significantly build on the momentum it has achieved. The Commission's support to that end is enabled with stability in the approved treatment of TEP investments and rebates.

C. TEP Budget and Administration Flexibility

Q. WHAT IS THE BUDGET PROPOSED FOR THE 2024-2026 TEP?

A. The Company's proposed budget for the 2024-2026 TEP is $439 million.

Q. ARE THE BUDGET LEVELS AS PROPOSED STILL PROVIDING FOR DOWNWARD PRESSURE ON RATES FOR ALL CUSTOMERS?

A. Yes, as addressed by Mr. Klingeman, even with our increased TEP budgets, EV load growth still puts downward pressure on customer rates, benefiting all customers.

Q. DID THE COMPANY REQUEST AND THE COMMISSION APPROVE BUDGET FLEXIBILITY IN THE 2021-2023 TEP?

A. Yes. The Commission approved flexibility of budgets between and within the portfolios as well as for the overall TEP budget on an annual basis. Specifically, the Commission approved the budget flexibility to move dollars between the approved portfolios, subject to a cap of 150 percent, and the ability to increase the overall TEP budget to up to 125 percent of the annual estimated budget.[21]

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE BUDGET FLEXIBILITY APPROVED BY THE COMMISSION IN DECISION NO. C21-0017?

A. The Company is proposing one modification to the previously approved budget flexibility provisions. Generally, as we have implemented TEP programs, budget flexibility can be a helpful tool to shift dollars appropriately to meet customer interest and demand. The flexibility in budgets allows the Company to respond to customer needs and programmatic interests in real time, and budget flexibility will continue to be essential as we move forward with implementation of our 2024-2026 TEP.

Concerning the one modification, the Company proposes to replace the annual flexibility cap structure (*i.e.*, existing annual cap of 125 percent) with one that applies across the TEP three-year period. As the Company has implemented programs in its initial TEP and has gathered insight from this implementation process, in particular the time that it takes to scope, source, and execute projects,

[21] Decision No. C21-0017 at ¶ 52.

it has found that the annual cap may be too restrictive and may have the unintended consequence of creating a lack of funding due to timing constraints. The Company is actively working to identify ways to address project timing issues and is looking to streamline processes, but having budget flexibility for the overall plan—rather than only on an annual basis—will help to make sure that projects that face obstacles in one program year can move forward in the next. The Company does not want to impede the progress being made towards achieving the State's EV goals due to restraints in the structure of budget flexibility.

Q. CHANGING GEARS, CAN YOU DESCRIBE THE 60/90 DAY NOTICE PROCESS THAT THE COMMISSION APPROVED IN THE COMPANY'S 2021-2023 TEP?

A. The Commission approved a 60/90 Day Notice process that was similar to the process used for the Company's Demand Side Management programs. The 60-Day Notice Process allows the Company to undertake efficient changes to TEP portfolios, introduce programs, and make needed adjustments. The 90-Day Notice Process governs proposals to discontinue a program or product offering. Through the 60-Day Notice Process, the Company issues the notice to stakeholders who then have 30 days to provide comments to the Company. After the initial 30 days, the Company then has 30 days to consider the comments and respond to them accordingly. The Company then files a summary report in the appropriate TEP proceeding that summarizes the comments received and why they were incorporated into the final notice or justification of why comments were not incorporated. Upon filing the summary report, Commission Staff have 10 business days to file a Notice of Deficiency. If no Notice of Deficiency is filed, the Company moves forward with the noticed proposal consistent with the summary report. If a Notice of Deficiency is filed, the Company and stakeholders have the opportunity to respond and the Commission ultimately decides the path forward for changes proposed through the Notice (*e.g.,* file an application, move forward with the change as proposed, deny the change). For a 90-Day Notice, the process is relatively similar. Stakeholders have 30 days to provide comments, and then the Company has 60 days to consider the comments before the Company makes a final decision on the proposed discontinuance.

Q. HAS THE 60-DAY NOTICE PROCESS BEEN A HELPFUL INSTRUMENT WHILE IMPLEMENTING THE INAUGURAL TEP?

A. Yes, the Company has found the process to be very helpful to establish processes for new offerings, introduce pilot projects through our Innovation portfolio, and to make adjustments to program offerings as needed with changing market conditions. Table JWI-D-3 below provides a summary of the notices issued during the Company's 2021-2023 TEP. The Company notes that across the several uses of the 60-Day Notice Process thus far, no Staff notices of deficiency have been filed.

Table JWI-D-3: 60-Day Notice Summary

Higher Emission Communities ("HEC")	• Created a process for identifying HECs in the Company's service territory • Projects in HECs qualify to receive enhanced incentives from the Company
Electric School Bus Program	• Provided a program description • Created scoring considerations used to review and evaluate applications • Provided reporting metrics
Small Commercial Program	• Established both the standard and enhanced rebate levels and program budget • Provided the eligibility and reporting requirements
Innovation	• Electric Car Sharing for Underserved Communities Pilot • Electrify Paratransit Mobility Pilot • Municipal Refuse Fleet Electrification Pilot • Residential Resiliency and Managed Charging Project • V2X and Resilience Project • DCFC Charging + Storage Demonstration Project • EV Load Disaggregation Project
Multifamily Housing Charger rebate	• Adjusted rebate levels to align with market pricing more accurately • Combined the Assigned and Shared Parking Rebate into one rebate supporting multifamily housing

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE 60/90 DAY NOTICE PROCESS IN ITS 2024-2026 TEP?

A. The Company is proposing to maintain the 60/90 Day Notice process. The Company views this process as beneficial to stakeholders, customers, and the Company. The process as it is designed allows the Company the flexibility to make changes to its TEP programs with stakeholder input, provides proper bounds, and helps avoid the need for a fully litigated proceeding that causes unnecessary litigation costs to customers, the Company, and intervenors alike. The 60/90 Day Notice process is an efficient and transparent mechanism with proper checks that allow for adjustments in a timely manner. It has been the Company's experience that the preview of contemplated notices to stakeholders and receiving initial feedback has helped to inform Company proposals and has helped to construct more insightful notices based upon that initial feedback. The 30-day comment period for stakeholders to provide feedback has also helped to further refine proposed changes and improve offerings.

D. Company Owned Public Charging Stations

Q. DID THE COMPANY RECEIVE APPROVAL TO OWN AND OPERATE DCFC STATIONS IN THE 2021-2023 TEP?

A. Yes. In Proceeding No. 20A-0204E, the Company was granted approval to own and operate up to 25 DCFC stations throughout its service territory. The Company then worked with stakeholders to develop a process for siting the Company's approved "market" and "connector" stations, which it filed through a siting report on December 13, 2021.[22] In August 2022, in Decision No. C22-0485, Proceeding No. 21AL-0494E, the Commission also approved rates for the Company-owned DCFC stations. Following these necessary Commission decision points, the Company began its DCFC station development and has several sites under construction now, with anticipated openings in Q2 through the end of this year.

Q. HAS THE COMPANY REASSESSED ITS ROLE IN THE DEVELOPMENT OF DCFC STATIONS?

A. Yes. While the Company is still in the early stages of its DCFC developments, it has conducted an analysis of the current state of Colorado's public charging station build out as necessary to meet Colorado's 2030 EV goals. That analysis is presented by Company witness Mr. Jouve, in Attachment JLJ-1. Summarized here, that analysis finds that a considerable need in public charging infrastructure exists to ensure successful accomplishment of Colorado's EV goals. The Company is thus undertaking a strategy shift in its approach to DCFC

[22] The Commission addressed a Petition for Declaratory Order filed by EVgo Services, LLC on the Company's siting report in Decision No. C22-0255, Proceeding No. 22D-0069E.

developments. That shift involves a strong and active Company role in developing DCFC stations in our service territory. The Company aims to build upon the stations that will be provided by the non-regulated market and further expand upon the access to public charging through Company-owned stations. Company witness Ms. Erwin provides the details of this proposal.

Q. WHY DOES THE COMPANY BELIEVE IT IS APPROPRIATE TO EXPAND ITS DCFC PROGRAM?

A. The Company is in a unique position to support the State's EV goals. The Company has the resources and expertise to build out a charging network at scale needed to support a portion of the State's EV goals. Providing a sufficient charging network is essential to overcome customer concerns regarding range anxiety and provide a future state where our customers can easily locate and charge their EVs without sparce distribution or considerable waiting times that could otherwise frustrate widespread customer adoption of EVs. The Company is also in the unique position of being able to educate our customers on EVs and continue our role as a trusted resource for EV needs. We can provide EV drivers the comfort that reliable charging is available for their needs. Further, the Company seeks to engage stakeholders regarding opportunities to address barriers to public fast charging for IQ customers at its DCFC stations as part of the outreach efforts I discuss further below. Lastly, as the Commission retains jurisdiction and oversight, approval of our DCFC expansion will help reduce the risks the State will fall short of the public charging infrastructure it needs to support EV adoption goals.

Company witness Ms. Erwin discusses the Company's proposal for its DCFC network in her Direct Testimony.

Q. WHAT ARE YOUR CONCLUDING THOUGHTS ON THE COMPANY'S DCFC STATION PROPOSAL?

A. The Company understands that its proposal represents a large increase in DCFC station investment. When considering its proposal, the Commission should consider that the Company is recommending approval to continue this DCFC station investment into future TEP filings beyond that for plan years 2024-2026, meaning it may require the Company additional years beyond 2026 to develop the entirety of the DCFC station investment level sought in this TEP, as Ms. Erwin addresses. In this manner, the Commission's approval of the Company's DCFC proposal will set the Company on a pathway to support public charging into the future.

In addition, the Commission should consider the proposal in light of the totality of the 2024-2026 TEP, where the Company is addressing in a comprehensive manner the programming necessary to promote widespread transportation electrification. It is notable that even with the Company's significantly increased investments for DCFC stations, the TEP and associated EV growth will still continue to put downward pressure on rates. This result indicates that the Company's EV-related investments can and will harness the benefits of EVs for the long term, for the benefit of all customers. It is also necessary to stress that the Company is offering programming to support non-regulated DCFC stations, including through infrastructure investments and the BESS rental option.

The Company's DCFC stations are but one part of a much broader effort to balance the need for competition with the simultaneous need to ensure Colorado is on track to meet its EV goals.

To conclude, the Company stands behind its DCFC proposal because it will assist in providing access to public charging throughout our service territory into the future, help to alleviate EV drivers' concerns over range anxiety, provide access to charging for those that do not have the option to charge at home, provide the necessary support to achieve the State's EV goals, and provide an efficient and affordable charging option to drivers.

VI. OUTREACH TO SUPPORT TEP EQUITY

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my Direct Testimony, I discuss the issue of equity and how equity is being addressed through the Company's other planning efforts, specifically its Renewable Energy Compliance Plan ("RE Plan") and Demand Side Management ("DSM") Plans. I address how the Company can combine efforts for community outreach to promote its programs, especially those focused on equity, across its planning efforts and make information clear, understandable, and available to all our customers. Given the importance of equity in the TEP, Company witness Nadia El Mallakh also addresses equity, and her testimony is focused on TEP programming issues, while my testimony focuses on our outreach efforts.

Q. PLEASE DISCUSS THE COMMISSION'S ONGOING WORK TO IMPLEMENT STATUTORY REQUIREMENTS TO CONSIDER EQUITY.

A. Senate Bill 21-272 ("SB 21-272") directs the Commission to consider how to provide equity in all of its work.[23] Through Decision No. C22-0239, the Commission opened a miscellaneous proceeding, Proceeding No. 22M-0171ALL, to receive input from stakeholders as the Commission considers how to implement SB 21-272. The Commission is actively coordinating with stakeholders on issues that include the definition of DI communities, understanding how other state agencies are approaching that question, and considering mapping tools to assist in identifying DI communities. The Company is a participant in that proceeding,

[23] *See* Decision No. 22-0239 at p.1 in Proceeding No. 22M-0171ALL.

and the Company supports the Commission's active efforts to implement SB 21-272.

Q. CAN YOU DISCUSS SOME OF PUBLIC SERVICE'S PROCEEDINGS WHERE THE COMPANY IS WORKING TO COMPREHENSIVELY ADDRESS EQUITY?

A. Yes. The importance of equity is a common theme not only in the Company's inaugural TEP, but also in its recent programming efforts, such as those undertaken in the RE Plan (21A-0625EG) and Strategic Issues for Demand Side Management and Beneficial Electrification (Proceeding No. 22A-0309EG). The State, the Commission, stakeholders and the Company desire that the benefits of the Company's programs, including those supporting renewable energy, energy efficiency, and transportation electrification, are developed and administered with a central focus on equity. Towards that end, the Company has been working on a new strategy to ensure effective outreach with IQ customers and DI communities. Ensuring collaboration with IQ customers and DI communities is a necessary measure to receive valuable input, allow the Company to explain its compressive offerings, and improve its communication strategies to best serve these unique customer segments.

Q. PLEASE ADDRESS THE COMPANY'S NEW OUTREACH STRATEGY TO SUPPORT EQUITY.

A. Starting with our RE Plan, the Company agreed to develop and execute a comprehensive IQ/DI Community Engagement and Outreach Plan. That outreach plan entails the Company working with stakeholders, such as community-based organizations, to develop lists of organizations that serve IQ customers and DI communities, ensuring support for community engagement, outreach, and program implementation. Identified organizations would then be contracted to support the development, education, and outreach of programs.

Similarly, in our Strategic Issues proceeding, the Company committed to including outreach on its DSM proposals within the IQ/DI Community Engagement and Outreach Plan. The Company explained in that proceeding its intent is to coordinate in the outreach plan the Company's multiple program offerings, including DSM, renewable energy, and transportation electrification. Leveraging the engagement plan across several of the Company's customer-benefiting programs will provide a more efficient process to acquire community feedback and deliver program information holistically.

Q. DOES THE COMPANY COMMIT TO INCLUDE ITS TEP PROGRAMMING WITHIN THE IQ/DI COMMUNITY ENGAGEMENT AND OUTREACH PLAN?

A. Yes, that is our intent. It is most effective and efficient to coordinate with our DI communities and IQ customers in a comprehensive manner, where we can address our full suite of offerings across program areas to provide critically necessary benefits to our customers, and maximize community engagement and feedback.

Q. WHAT IS THE CURRENT STATUS OF THE COMPANY'S IQ/DI COMMUNITY ENGAGEMENT AND OUTREACH PLAN?

A. Currently, the Company is actively engaging with a variety of stakeholders, including community-based organizations and foundations that serve our IQ customers and disadvantaged communities. We are expanding our newly developed partnerships with organizations or member associations that have existing practices or outreach models that are proven to be effective in an identified community or with a group of people. The Company is currently working through two channels of outreach and plans.

The first channel of outreach focuses on and directly engages with customers to educate and assist them in signing up for the various program offerings the Company has available through its DSM, TEP, and RE Plans. The Company currently has partnerships with non-profit organizations and community-based organizations that host neighborhood and community events. Some recent examples where the Company had the opportunity to engage directly include the NewsEd Cinco de Mayo Festival and the Biennial of the Americas Cities Summit and Fabrica de Arte Americana.

In the second channel of outreach, the Company is continuing its formal partnerships and working with organizations who in turn organize community leader and customer meetings to help educate and promote specific customer offerings. As an example, the Company has been engaging with the African American Energy Advisory Committee, which was established in partnership with the Colorado Black Chamber of Commerce in July 2022. The committee generally meets bi-monthly and at those meetings the Company has discussed our EV programs and rebates, workforce pathway opportunities, supplier diversity opportunities, renewable energy programs, and options for customers and communities. We also recently engaged the Latino Community Foundation of Colorado and are currently working on an agreement for the organization to assist in identifying non-profit organizations in targeted communities, while also working to help educate and promote the variety of Company offerings to its communities. The Latino Community Foundation of Colorado supports nearly 100 different non-profits across our service territory and can enable and support local community non-profits and formalize our partnership with them to enhance the Company's community engagement efforts.

As the Company has been working with organizations and customers in disadvantaged communities, we have received feedback for increased intentional outreach focused on workforce pathways and supplier diversity opportunities. We agree and going forward, in addition to our outreach and engagement efforts to promote our customer programs, the Company will be expanding its efforts to partner with organizations and directly support training and educational efforts targeted toward economic growth, workforce pathways, and increased supplier diversity opportunities, including in the EV industry.

VII. IMPORTANT OTHER COMMISSION PROCEEDINGS

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?

A. In this section of my Direct Testimony, I provide an overview of how the Company's TEP overlaps with some of the other processes the Company undertakes, specifically its Electric Resource Planning and Distribution System Planning efforts.

Q. IN THE COMPANY'S MOST RECENTLY APPROVED 2021 ELECTRIC RESOURCE PLAN AND CLEAN ENERGY PLAN ("CEP"), IS IT ACCURATE THAT THE COMPANY'S PREFERRED PLAN ESTIMATES A CARBON REDUCTION OF OVER 80 PERCENT BY 2030?

A. That is accurate. The Company's preferred plan in the CEP estimates that the Company will reduce carbon emissions from 2005 levels by over 80 percent in 2030 in line with the Company's stated goals for carbon reductions and importantly in compliance with the requirements of Senate Bill 19-236 and House Bill 19-1261.

Q. WHAT IS THE CURRENT STATUS OF THE CEP?

A. The Company is actively involved in Phase II of the CEP, in which it is evaluating the bids it has received and preparing a report to the Commission on the Company's recommendations on the resources and contracts necessary to support our carbon reduction proposals and to maintain reliability of service to our customers. I expect the Company's recommendations to the Commission will be filed during the pendency of this TEP proceeding.

Q. WHAT IS THE RELEVANCE OF THE CEP TO THIS TEP PROCEEDING?

A. The reduced emission benefits of transportation electrification are in large part tied to the system emissions of the Company's electric generation resources. The Company has already made substantial progress in its clean energy transition of its generation resources, and the CEP will assist the Company in meeting or exceeding our statutory requirements to reduce carbon emissions. As the TEP helps to accelerate the adoption of EVs in the Company's service territory, we will achieve significant emission reductions from the transportation sector and when combined with the resources approved through the CEP will achieve even greater emission reduction benefits as the system providing fuel for those EVs integrates increasing levels of renewable energy. With the CEP and the conversion of our electric generation system to a clean energy system, the Company is working towards a future where net zero emission vehicles are possible.

Q. CAN THE COMPANY'S TEP ASSIST IN ACHIEVING EMISSIONS REDUCTIONS?

A. Yes. Even outside the important emission reductions from the transportation sector the TEP supports, the TEP can also assist the Company in achieving its CEP emission reductions. Specifically, in the future as technology evolves, EVs have the potential to act as system resources, allowing for the storing and discharging of excess renewable generation when necessary to support the efficient operation of the grid. Our proposed managed charging programs are a step towards that future, as supported by our Innovation portfolio and its many pilot projects that are intended to more completely understand the full potential of EVs.

Q. HOW DOES THE COMMISSION'S DISTRIBUTION SYSTEM PLANNING RULES SUPPORT THE COMPANY'S EFFORTS TO ADDRESS EV-RELATED GROWTH?

A. In Proceeding No. 22A-0189E, the Commission approved the resolution of the Company's first compliance with the Distribution System Planning ("DSP") rules. The Commission specifically approved a settlement in that proceeding, and it in turn recognized the need for continued Company efforts to deploy and use its LoadSEER tool, so as to assist in the locational-specific forecasting of beneficial electrification, such as additional load growth driven by EVs. The Company's improved distribution system forecasting will help it in its development of future identification of distribution system projects necessary to meet anticipated EV load growth.

Q. IS THE COMPANY IN THIS PROCEEDING PROPOSING TO BUILD UPON ITS DSP EFFORTS FROM PROCEEDING NO. 22A-0189E?

A. Yes. As addressed by Company witness Ms. Paoletti, the Company is proposing the limited funding of "No Regrets Investments" towards distribution projects on a proactive basis to ensure the grid is ready for EV load, especially from medium- and heavy-duty fleets.

Q. HOW DOES THE COMPANY'S UNDERTAKING OF THOSE DISTRIBUTION PROJECTS COMPORT WITH THE COMMISSION'S DSP RULES?

A. At this time, the Company is not proposing specific distribution projects to undertake through the TEP. Instead, the Company will identify those projects at a later date pursuant to a methodology proposed by Ms. Paoletti. To mitigate any potential concerns on DSP rule compliance, the Company is seeking a limited waiver of the DSP rules as applicable to the TEP distribution investments. In particular, the Company is requesting waiver of the non-wires alternative screening process, as included in Rule 3534. This waiver request is being made on a conservative basis to ensure transparency and clarity on the Company's undertaking of the limited TEP distribution investments. There is good cause for the waiver and undertaking the TEP investments during 2024-2026 because the distribution investments are generally in the spirit of the terms of the Settlement Agreement in Proceeding No. 22A-0189E. That settlement encouraged the Company to explore means for funding distribution upgrades to support Distributed Energy Resources ("DERs"), as well as the establishment of Commission proceedings/processes to support state policy goals on DERs and beneficial electrification.[24] The Company's undertaking of limited TEP distribution investments pursuant to a screening methodology outlined in this proceeding promotes and advances the settlement. The Commission should therefore grant the Company a limited waiver of the DSP rules to support the TEP distribution investment, to the extent necessary.

[24] Proceeding No. 22A-0189E, Decision No. R23-0080, Appendix A – Settlement Agreement, at Section IX, pages 15-16.

VIII. <u>DEFERRAL OF LITIGATION/CONSULTANT COSTS</u>

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?

A. In this section, I support the Company's request to defer consultant and legal expenses associated with preparing and litigating this proceeding into a non-interest-bearing regulatory asset to be reviewed for recovery purposes in a future rate proceeding.

Q. PLEASE LIST AND GENERALLY DESCRIBE THE MAJOR EXPENSE CATEGORIES YOU ARE PRESENTING FOR DEFERRAL.

A. The major categories of expenses for the 2024-2026 TEP are listed below.

<u>Consultants</u>: Consultants were necessary for the preparation of the TEP for a number of reasons. They provided subject matter expertise, performed specific analyses, provided review of the TEP itself and testimonies, and may assist in responding or consulting on discovery.

<u>Transcripts/Hearing Costs</u>: During the course of a proceeding, a court reporter will be necessary to transcribe depositions and hearings before the Commission. There is a cost of having court reporters record and transcribe these proceedings. This fee increases or decreases based upon the timeframe by which the reporter is asked to prepare the transcript.

<u>Legal Counsel</u>: The Company has an in-house legal department whose regulatory team works on the matters that we have before the Commission. However, the Company has more Commission-related work than can be handled by our in-house attorneys, so we also rely on outside attorneys for this work. As

this TEP represents a complex and innovative filing, the Company has not staffed its legal department in preparation of its filing, but we do assign in-house attorneys to the filing. Our ability to rely on our inside counsel is dependent upon other pending matters. Outside counsel assistance is thus necessary.

Q. WHAT ARE THE SPECIFIC CONSULTANT COSTS THE COMPANY IS PROJECTING TO INCUR FOR THIS TEP?

A. Guidehouse, Inc. ("Guidehouse") and The Brattle Group, Inc. ("Brattle") have been engaged to support the TEP. Guidehouse is assisting the TEP in the development of TEP programming to benefit all customers, including for the Residential, Commercial, Innovation, Clean Vehicles, and Advisory Services portfolios. Guidehouse is also engaged to support analysis regarding forecasted EV adoption and the public fast charging needs in the Company's service territory. The estimate of the costs of these services by Guidehouse are $846,000.

Should Guidehouse need to support discovery and rebuttal testimony, the Company reasonably estimates those costs to add an additional $355,000.

Brattle is assisting by undertaking the creation, modeling, and reporting necessary to create a comprehensive benefit-cost analysis, including with application of the impact of the social cost of emissions. The estimated costs of Brattle's services are $384,000.

Together, the Company thus estimates consultant costs of approximately $1,201,000 (or $1,556,000 should Guidehouse need to support discovery and rebuttal).

Q. WHAT ARE THE SPECIFIC TRANSCRIPT AND HEARING COSTS THE COMPANY IS PROJECTING TO INCUR FOR THIS TEP?

A. The Company anticipates incurring an approximate cost of $30,000 for the purchase of transcripts of the hearings and other hearing costs.

Q. PLEASE DISCUSS THE OUTSIDE LEGAL FEES THAT THE COMPANY IS PROJECTING TO INCUR AS PART OF THE TEP PROCEEDING.

A. Outside legal costs are estimated to be $903,900 for the legal services provided by Wilkinson Barker Knauer LLP ("WBK"). WBK was retained for its expertise and specific knowledge of Public Service and other Xcel Energy operating companies. The firm provided, or will provide, assistance in assembling testimony and attachments, witness preparation, responding to discovery, and generally processing the case. I would also add that the Company's internal legal team works hard to ensure that duties are appropriately assigned to outside legal counsel and to ensure that work efforts are not duplicative. The internal and external legal teams work as a unit and are in constant coordination to be as efficient as possible.

Q. DO YOU HAVE CONCLUDING THOUGHTS ON THE REQUEST TO TRACK AND DEFER THESE EXPENSES?

A. Yes. It is important to understand that the Company is not seeking recovery of these amounts in this proceeding, but instead to allow the parties and the Commission to review the actual costs incurred in support of the TEP in a future rate case proceeding.

IX. CONCLUSION

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. I recommend that the Commission approve the 2024-2026 TEP, including its programs and budgets. I also recommend the Commission approve the following:

- the Company's proposal to continue existing TEP programming until it is able to implement the Commission's final approvals for the 2024-2026 TEP;
- the Company's revised budget flexibility proposal;
- the Company's proposal to continue the existing cost and regulatory treatment for TEP rebates;
- the Company's request for a waiver of Distribution System Plan rules, if necessary; and
- the Company's proposal to defer the expenses associated with preparing and litigating this proceeding.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Statement of Qualifications

Jack W. Ihle

Jack Ihle is Regional Vice President of Regulatory & Strategy Analysis for Xcel Energy – Colorado. He leads a team responsible for regulatory aspects of resource planning, renewable energy planning, electric vehicles and other policy issues. He has testified before the Colorado Public Utilities Commission, the Colorado Legislature, the Minnesota Legislature and the New Mexico Environmental Improvement Board.

Mr. Ihle previously worked in environmental policy for ten years, most recently serving as Director of Environmental Policy while leading Xcel Energy's climate policy, environmental policy and environmental communications efforts across the eight states in which the Company operates. Mr. Ihle has also served in energy consulting roles with IHS and Platts, focusing on renewable energy, climate policy and forecasting engagements.

Mr. Ihle has a Master of Science degree in Energy & Resources from the University of California at Berkeley, and a Bachelor of Arts degree in Political Science from Bowling Green State University. He serves on the boards of directors for the Regional Air Quality Council, and Volunteers for Outdoor Colorado, and has previously served on the boards of XPAC, the Solar Technology Acceleration Center and WEST Associates.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * * *

IN THE MATTER OF [THE APPLICATION OF PUBLIC SERVICE COMPANY OF COLORADO FOR APPROVAL OF ITS 2024-2026 TRANSPORTATION ELECTRIFICATION PLAN.	**) PROCEEDING NO. 23A-XXXXE**

AFFIDAVIT OF JACK W. IHLE
ON BEHALF OF
PUBLIC SERVICE COMPANY OF COLORADO

I, Jack W. Ihle, being duly sworn, state that the Direct Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Direct Testimony and attachments are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

Dated at Denver, Colorado, this 15th day of May, 2023.

Jack W. Ihle
Regional Vice President, Regulatory Policy

Subscribed and sworn to before me this 15th day of May, 2023.

Jamie Cutlip-Gorman
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20224019900
MY COMMISSION EXPIRES MAY 18, 2026

Jamie L Cutlip Gorman
Notary Public

My Commission expires May 18, 2026