

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF SOUTHWESTERN )  
PUBLIC SERVICE COMPANY'S )  
APPLICATION FOR AUTHORIZATION OF )  
LARGE CUSTOMER RENEWABLE\*CONNECT )  
PROGRAM AND TARIFF, AND OTHER )  
ASSOCIATED RELIEF, ) Case No. 23-00\_\_\_\_-UT  
)  
SOUTHWESTERN PUBLIC SERVICE )  
COMPANY, )  
)  
APPLICANT. )  
\_\_\_\_\_ )**

**DIRECT TESTIMONY**

*of*

**BROOKE A. TRAMMELL**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

**August 11, 2023**

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## **GLOSSARY OF ACRONYMS AND DEFINED TERMS**

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
ETE Date	Early Termination Effective Date
ETA	Energy Transition Act
FPPCAC	Fuel & Purchased Power Cost Adjustment Clause
IT	Information Technology
kWh	Kilo-watt hour
LGS-T	Large General Service – Transmission
MW	Megawatts
MWh	Megawatt-hour
NMPRC or Commission	New Mexico Public Regulation Commission
PNM	Public Service Company of New Mexico
PPA	Purchase Power Agreement
PSCo	Public Service Company of Colorado
PUCT	Public Utility Commission of Texas

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
R*C or Renewable*Connect	Renewable*Connect
R*C-I	Renewable Connect Initial Phase
R*C-II	Renewable Connect Phase II
REA	Renewable Energy Act
Roswell-Chaves Solar Facilities	Roswell-Chaves Solar Generation Facilities
RPS	Renewable Portfolio Standard
RECs	Renewable Energy Certificates
Solar*Connect	Solar*Connect Community program
Southwest Power Pool	Southwest Power Pool, Inc.
SPS	Southwestern Public Service Company
TCR	Transmission Congestion Rights
WREGIS	Western Renewable Energy Generation Information System
Xcel Energy	Xcel Energy Inc.

## LIST OF ATTACHMENTS

<b><u>Attachment</u></b>	<b><u>Description</u></b>
BAT-1	Prior Testimony ( <i>Filename: Attachment BAT-1.xlsx</i> )

Case No. 23-00 \_\_\_-UT  
Direct Testimony  
of  
Brooke A. Trammell

1                   **I.       WITNESS IDENTIFICATION AND QUALIFICATIONS**

2   **Q.     Please state your name and business address.**

3   A.     My name is Brooke A. Trammell. My business address is 790 S. Buchanan Street,  
4           Amarillo, Texas 79101.

5   **Q.     On whose behalf are you testifying in this proceeding?**

6   A.     I am filing testimony on behalf of Southwestern Public Service Company, a New  
7           Mexico corporation (“SPS”), and wholly-owned subsidiary of Xcel Energy Inc.  
8           (“Xcel Energy”).<sup>1</sup>

9   **Q.     By whom are you employed and in what position?**

10  A.     I am employed by SPS as Regional Vice President, Regulatory and Pricing.

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<sup>1</sup> Xcel Energy is the parent company of four utility operating companies: Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS. Xcel Energy’s natural gas pipeline company is WestGas InterState, Inc. Through a subsidiary, Xcel Energy Transmission Holding Company, LLC, Xcel Energy also owns three transmission only operating companies: Xcel Energy Southwest Transmission Company, LLC; Xcel Energy Transmission Development Company, LLC; and Xcel Energy West Transmission Company, LLC, all of which are regulated by the Federal Energy Regulatory Commission.

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1 **Q. Please briefly outline your responsibilities as Regional Vice President,**  
2 **Regulatory and Pricing.**

3 A. I am responsible for providing leadership, direction, and technical expertise related  
4 to regulatory processes and functions for SPS. I manage and oversee regulatory  
5 staff assigned to ratemaking, planning, and resource transition matters. My duties  
6 include the design and implementation of SPS's regulatory strategy and programs,  
7 as well as the direction and supervision of SPS's regulatory activities, including  
8 oversight of rate filings, administration of regulatory tariffs, rules and forms,  
9 regulatory case direction and administration, compliance reporting, and complaint  
10 responses. I oversee the coordination of overall preparation of filed testimony,  
11 attachments, schedules, and workpapers to produce filings in accordance with  
12 applicable rules and procedures in the regulatory jurisdictions in which SPS  
13 operates.

14 **Q. Please describe your educational background.**

15 A. I hold a Master of Business Administration degree from West Texas A&M  
16 University along with a Master of Arts degree in Economics with a specialization  
17 in Public Utility Regulation and a Bachelor of Science degree in Agricultural  
18 Economics and Agricultural Business from New Mexico State University.

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1 **Q. Please describe your professional experience.**

2 A. I have worked within Xcel Energy for over a decade, beginning my career with SPS  
3 in September 2012 as a Case Specialist. From January 2014 to June 2016, I was  
4 Manager, Rate Cases, and was responsible for the strategic oversight of SPS's  
5 regulatory activity in Texas. Beginning in June 2016, I joined the SPS operating  
6 company leadership team as the Director of Customer and Community Relations.  
7 In June 2018, I accepted the position of Regional Vice President, Rates &  
8 Regulatory Affairs for Public Service Company of Colorado ("PSCo"), and in June  
9 2022, returned to SPS as Regional Vice President, Regulatory and Pricing.

10 Prior to Xcel Energy, I was employed with PNMR Services Company, a  
11 wholly owned subsidiary of PNM Resources, Inc., the parent holding company of  
12 Public Service Company of New Mexico ("PNM") and Texas-New Mexico Power  
13 Company. I held various roles in the pricing and regulatory services department  
14 including Rates Analyst II, Senior Rates Analyst, and Project Manager, Federal  
15 Regulatory Affairs. In these positions, I provided cost of service, cost allocation,  
16 pricing, and rate design analysis to support general rate cases, audited rate  
17 calculations and filing packages; and managed regulatory filings and proceedings  
18 in the company's retail jurisdictions before managing PNM's regulatory



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1 proceedings before the Federal Energy Regulatory Commission and leading  
2 strategic regulatory and transmission policy initiatives.

3 **Q. Have you testified before any regulatory authorities?**

4 A. Yes. I have previously testified on behalf of SPS before the New Mexico Public  
5 Regulation Commission (“NMPRC” or “Commission”) and the Public Utility  
6 Commission of Texas, and also on behalf of PSCo before the Colorado Public  
7 Utilities Commission. A list of the regulatory proceedings in which I have testified  
8 is provided as Attachment BAT-1 to my direct testimony.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What is the purpose of your testimony in this case?**

3 A. The purpose of my testimony is to introduce, describe, and discuss the policy  
4 related aspects of SPS’s proposed Large Customer Renewable\*Connect (“R\*C” or  
5 “Renewable\*Connect”) program. Specifically, my testimony:

- 6 • summarizes Xcel Energy’s clean energy goals and progress towards  
7 meeting those goals;
- 8 • identifies SPS’s existing voluntary renewable energy purchase program;
- 9 • explains that, consistent with the Renewable Energy Act<sup>2</sup> (“REA”) and Rule  
10 572,<sup>3</sup> SPS developed and is proposing the Large Customer R\*C program in  
11 response to requests from large commercial and industrial customers for a  
12 voluntary renewable energy purchase program that will facilitate their  
13 ability to meet their own renewable energy and sustainability goals;
- 14 • provides an overview of SPS’s proposed Large Customer R\*C program;
- 15 • describes the renewable resources that will supply energy for the initial  
16 phase of the R\*C program, referred to as R\*C-I;
- 17 • explains how SPS has designed the R\*C-I program phase to insulate and  
18 protect non-subscribing customers from any incremental costs associated  
19 with the program;
- 20 • discusses the reasonableness of the terms and conditions for participation in  
21 the R\*C-I program phase, including the monthly charge components and

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<sup>2</sup> See 1978 NMSA, §§ 62-16-1 through 62-16-10.

<sup>3</sup> See 17.9.572.18(A) NMAC (“Rule 572”).

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1 credits associated with renewable energy acquired through the program, the  
2 proposed termination fee, and the proposed rate treatment for a subscribing  
3 customer's unused energy;<sup>4</sup> and

- 4 • addresses SPS's suggestions related to scaling of the proposed Large  
5 Customer R\*C program, if this initial offering is approved by the  
6 Commission and there is demonstrated customer interest in future  
7 expansion of the program.

8 **Q. What approvals are SPS requesting in its application?**

9 A. As part of its Application in this case, SPS is requesting the approvals necessary to  
10 implement the initial program phase, R\*C-I, including specific approvals related to  
11 the:

- 12 • terms and conditions of participation in the R\*C-I program phase offering,  
13 including the subscription process and associated customer agreement;<sup>5</sup>
- 14 • the use of the approximately 80 megawatts ("MW") of non-jurisdictional  
15 generating capacity associated with two purchased power agreements  
16 ("PPAs") between SPS and Roswell Solar, LLC and Chaves County Solar,  
17 LLC (collectively referred to as the "Roswell-Chaves Solar Facilities") to  
18 supply the R\*C-I program phase;

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<sup>4</sup> As detailed in SPS witness Justin L. Smiley's direct testimony and discussed further below, a subscribing customer will have "unused energy" in a month in which the customer consumes less energy than the volume of energy allocated to the customer in accordance with the customer's subscribed generation share of the program resource.

<sup>5</sup> A copy of the proposed R\*C Customer Agreement is included as Attachment JLS-2 to the Direct Testimony of Mr. Smiley.

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- 1           • SPS’s proposed formula for calculating and applying the monthly customer  
2           (subscriber) charge for renewable energy purchased through the R\*C-I  
3           program phase;
- 4           • SPS’s proposed monthly credits available to R\*C-I program subscribers;
- 5           • SPS’s proposal to allocate a subscribing customer’s unused energy to the  
6           SPS system and proposed methodology for crediting (or in some instances)  
7           charging subscribing customers for their unused energy; and
- 8           • form of the proposed tariff, the R\*C Rate Rider, provided as Attachment  
9           RMS-3 to the direct testimony of SPS witness Ruth M. Sakya, as well as  
10          SPS’s proposed process for implementing and annually updating the charge  
11          and credit components of the R\*C Rate Rider.

12   **Q.    Has SPS provided direct testimony from other witnesses in support of its**  
13   **Application?**

14   A.    Yes. In addition to myself, SPS witnesses Justin L. Smiley and Ruth M. Sakya  
15   support specific aspects of SPS’s Application.

16   Mr. Smiley:

- 17           • identifies and explains the interest of large commercial and industrial  
18           customers for a product that fits their unique needs and desires concerning  
19           renewable energy and sustainability; and
- 20           • describes the details of participation in the R\*C-I program phase, including  
21           the subscription process, the different subscription terms, and how a  
22           subscribing customer’s monthly energy allocation is determined.

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1 Ms. Sakya:

- 2 • describes SPS’s proposed formula for calculating and applying the monthly  
3 customer (subscriber) charge for the proposed R\*C-I program phase;
- 4 • discusses the calculation of the estimated R\*C-I charge and monthly bill  
5 credits for the first year of the proposed program (2025);
- 6 • describes the proposed monthly bill credits that R\*C-I subscribers will  
7 receive;
- 8 • describes the methodology for calculating the monthly credit/charge for  
9 unused energy;
- 10 • presents the form of the proposed tariff, the R\*C Rate Rider, and discusses  
11 SPS’s proposed process for implementing and annually updating the charge  
12 and credit components of the R\*C Rate Rider as part of SPS’s annual  
13 Renewable Portfolio Standard (“RPS”) filings beginning in 2024; and
- 14 • provides estimated bill impacts for 2025 (the first year of the program) for  
15 customers (subscribers) who choose to participate in the R\*C-I phase of  
16 the program.

17 **Q. Please summarize your testimony and conclusions regarding the Large**  
18 **Customer R\*C Program.**

19 A. SPS’s Large Customer R\*C program has been developed in response to customer  
20 interest consistent with the REA and Rule 572. In particular, large commercial and  
21 industrial customers have expressed interest in a voluntary renewable energy  
22 purchase program that will facilitate their ability to meet their own renewable  
23 energy and sustainability goals. SPS is able to meet this customer interest

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1           expeditiously through the use of existing, non-jurisdictional resources located in  
2           New Mexico. Importantly, the R\*C-I program design ensures that there is no cross-  
3           subsidization and non-subscribing customers are insulated and protected from any  
4           incremental costs from the program. Moreover, the terms and conditions for  
5           participation in the R\*C-I program, including the monthly charge and credits, the  
6           proposed termination fee, and the rate treatment associated with a subscribing  
7           customer's unused energy are reasonable and should be approved.

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1 **III. BACKGROUND**

2 **Q. Please summarize Xcel Energy’s clean energy goals and progress.**

3 A. In 2018, Xcel Energy became the first utility in the nation to announce clean energy  
4 goals by committing to an enterprise-wide clean energy goal to achieve 80% carbon  
5 emission reductions by 2030 and an aspirational goal to serve customers from 100%  
6 carbon-free electric generation by 2050. Since this announcement, Xcel Energy,  
7 through each of its four utility operating companies,<sup>6</sup> has made progress towards  
8 these goals by working with policy makers, regulators, communities, customers,  
9 intervenors, and other stakeholders to advance the clean energy transition in each  
10 of the eight states served by Xcel Energy. SPS’s customers in New Mexico and  
11 Texas continue to be served by a reliable, efficient, and increasingly clean electric  
12 generation fleet composed of a diverse mix of resources and technologies.

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<sup>6</sup> The Xcel Energy utility operating companies are identified in Footnote 1 above.

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1 **Q. Please discuss the clean energy goals of the State of New Mexico.**

2 A. In 2019, New Mexico expanded its renewable energy goals through the Energy  
3 Transition Act (“ETA”), establishing new renewable energy and zero-carbon  
4 targets to be achieved by the state’s electric utilities. Those targets, codified in the  
5 REA, included serving 40% of total New Mexico retail sales with renewable  
6 resources by 2025, 50% by 2030, 80% by 2040, and a goal of 100% of total New  
7 Mexico retail sales served by carbon free resources by 2045. While these targets  
8 are specifically related to the amount of *New Mexico* retail sales served by  
9 renewable resources by 2025, 2030, and 2040 and carbon free resources by 2045,  
10 the enterprise-wide clean energy goals of Xcel Energy follow a relatively similar  
11 trajectory of emissions reductions with expectations for increased penetration of  
12 renewable resources and new generation technologies over this time horizon.

13 **Q. What is SPS’s progress towards the ETA requirements to date?**

14 A. SPS is currently well positioned to meet the REA requirements in the coming years,  
15 including achievement of the target to serve 50% of total New Mexico retail sales  
16 with renewables by 2030. Currently, SPS’s renewable energy mix is approximately  
17 40%. As SPS manages load growth and its aging generation fleet retires, SPS is  
18 committed to continue leading the clean energy transition in a reliable and



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1           affordable manner, an effort that will progress over the next two and a half decades  
2           and beyond.

3   **Q.   Do SPS's customers benefit from SPS's clean energy transition?**

4   A.   Yes. All of SPS's customers benefit as SPS's generation fleet reliably transitions  
5           to address the needs of our customers and the communities we serve. Given the  
6           renewable and industrial resource potential within SPS's service territory, as well  
7           as the extension of federal tax incentives for renewable energy and new incentives  
8           for additional clean energy technologies, SPS aims to reliably and affordably  
9           navigate its fleet transition by integrating the most cost-effective resource  
10          portfolios. As SPS retires fossil generating units, SPS expects a combination of  
11          resources and generation technologies will be added to the system. SPS's  
12          investments in new generating resources, particularly at retiring generation  
13          locations, stand to benefit customers through, among other things, avoided fuel and  
14          energy costs, avoided interconnection infrastructure costs, and availability of  
15          federal tax incentives for a host of generation technologies.

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1 **Q. Have SPS's customers expressed interest in additional clean energy**  
2 **programs?**

3 A. Yes. Beyond SPS's system resources, certain customers have expressed a desire  
4 for SPS to offer additional, voluntary renewable energy purchase programs to  
5 further assist with these individual customers' progress toward their own clean  
6 energy milestones alongside SPS's fleet transition. As SPS works together with  
7 the Commission to reliably and economically deliver this large-scale generation  
8 fleet transition, SPS also seeks to establish additional, incremental clean energy  
9 product offerings to meet customer demand.

10 **Q. Does SPS have a unique customer mix in New Mexico?**

11 A. Yes. SPS's retail sales in New Mexico are predominantly to commercial and  
12 industrial customers, which is a unique customer concentration compared to other  
13 utilities in the state and is reflective of the economic sectors present in SPS's service  
14 territory in eastern and southeastern New Mexico. For example, commercial and  
15 industrial customers represented approximately 66% of SPS's New Mexico retail  
16 electric sales in 2022. The majority of SPS's commercial and industrial customers,  
17 particularly its large commercial and industrial customers, are involved in various

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1 oil and gas industry activities and many of these customers have committed to clean  
2 energy goals themselves, including electrification of their industrial processes.

3 **Q. Do SPS's large commercial and industrial customers have individual clean**  
4 **energy goals?**

5 A. Yes. As discussed by Mr. Smiley, it is SPS's understanding that a number of these  
6 customers have individual sustainability goals and directives.

1 **IV. SPS's CURRENT VOLUNTARY RENEWABLE OFFERING AND THE**  
2 **PROPOSED LARGE CUSTOMER RENEWABLE\*CONNECT**  
3 **PROGRAM**

4 **Q. Is SPS required to offer voluntary renewable programs to its customers?**

5 A. Yes. Section 62-16-7(B) of the REA provides that the Commission “may require  
6 that a public utility offer its retail customers a voluntary program for purchasing  
7 renewable energy that is in addition to energy provided by the public utility  
8 pursuant to the RPS, under rates and terms that are approved by the commission.”

9 In response, the Commission adopted Rule 572.18, which states, in part, that a  
10 “public utility shall offer a voluntary renewable energy tariff for those customers  
11 who want the option to purchase additional renewable energy.”<sup>7</sup> In accordance  
12 with the REA and Rule 572.18, SPS currently offers a voluntary renewable energy  
13 purchase program through its Solar\*Connect Community program  
14 (“Solar\*Connect”) Rate Rider. The proposed R\*C program is an additional  
15 voluntary renewable energy purchase program designed to meet the interest of  
16 SPS’s larger customers, who, given the small size of the Solar\*Connect resources,

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<sup>7</sup> 17.9.572.18(A) NMAC.

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1 are not able to procure the amount of renewable energy they desire through  
2 Solar\*Connect.

3 **Q. Please describe SPS's Solar\*Connect program.**

4 A. SPS's current voluntary renewable energy purchase program, Solar\*Connect,  
5 allows customers (primarily residential and small commercial customers) to  
6 purchase additional amounts of renewable energy. Although Solar\*Connect is an  
7 ideal program for residential and small commercial customers, it is limited in size  
8 and unable to satisfy the level of additional renewable energy that large commercial  
9 and industrial customers seek. Large customers have indicated interest in a utility-  
10 provided solution.

11 **Q. Is SPS's Solar\*Connect program fully subscribed at this time?**

12 A. No, there is still space, particularly for residential and small commercial customers.

13 **Q. Please describe SPS's proposed R\*C program.**

14 A. SPS's proposed Large Customer R\*C program will provide eligible large  
15 commercial and industrial customers the option to acquire, pursuant to a regulated  
16 tariff, a portion of their energy needs specifically from identified clean energy  
17 resources. This subscribed energy would be beyond and in addition to the clean  
18 energy resources serving customers on SPS's system today.

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1 **Q. Why is SPS proposing the R\*C program?**

2 A. As discussed by Mr. Smiley, a number of large commercial and industrial  
3 customers have indicated interest in and requested development of a voluntary  
4 program that allows for the acquisition of additional renewable energy that is in  
5 excess of what is currently required under New Mexico's REA and the applicable  
6 RPS requirements. Consistent with 62-16-7(B) of the REA, SPS developed the  
7 R\*C program in direct response to this customer demand for additional and more  
8 appropriately sized renewable energy product supplied by SPS, at a reasonable cost  
9 and under clear terms and pricing established in a Commission-approved tariff.

10 **Q. Will the Large Customer R\*C program benefit non-subscribing customers?**

11 A. Yes, because the economies of eastern and southeastern New Mexico drive  
12 significant portions of the state's overall economy, establishing SPS's proposed  
13 Large Customer R\*C program benefits all of SPS's customers and indirectly  
14 benefits the state at large. Additionally, as I discuss later in my testimony, if the  
15 Large Customer R\*C program is scaled in the future with additional R\*C resources,  
16 New Mexico will benefit from the opportunity for additional renewable resource  
17 development in the region.

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1 **Q. What customers are eligible to participate in the R\*C program?**

2 A. The proposed Large Customer R\*C program is unique and separate from the  
3 Solar\*Connect program, discussed above, which is focused on residential and small  
4 commercial customers. In contrast to Solar\*Connect, any Large General Service –  
5 Transmission (“LGS-T”) customer with a monthly peak load of at least 5 MW at a  
6 single premise is eligible to participate in the R\*C program. Eligible customers  
7 will have the option to subscribe to the program to purchase a minimum 5 MW  
8 (with additional 1 MW increments available above the minimum) share of the  
9 Roswell-Chaves Solar Facilities’ non-jurisdictional generating capacity.<sup>8</sup> Because  
10 customers will enroll on a per-premise basis, any premise to be enrolled in the  
11 program must have a minimum monthly peak of 5 MW. Further, the subscribed  
12 amount cannot exceed the premise’s annual peak for the most recent 12-month  
13 period at the time of enrollment in the program. Mr. Smiley discusses the  
14 reasonableness of the proposed minimum subscription level in his testimony.

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<sup>8</sup> Although customers will be subscribing to the R\*C-I program phase based on an overall generation share (per MW) of the Roswell-Chaves Solar Facilities’ non-jurisdictional generating capacity, their monthly renewable energy allocations (in MWh) will be determined by multiplying their subscription share percentage—i.e., the ratio of the subscriber’s share (in MW) to the total non-jurisdictional generating capacity of the Roswell-Chaves Solar Facilities (~80 MW)—by the actual monthly non-jurisdictional generating capacity of the Roswell-Chaves Solar Facilities.

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1 **Q. How many customers meet the eligibility requirement?**

2 A. At the time of this filing, there are 17 customers currently eligible to participate in  
3 the R\*C-I program.

4 **Q. What is the basic structure of the Large Customer R\*C tariff?**

5 A. The Large Customer R\*C program tariff, referred to as the R\*C Rate Rider, works  
6 similar to other riders, in that it supplements the terms and conditions of the  
7 customer's standard service. The tariff specifies the customers eligible to  
8 participate in the program, the methodology to be used in developing the charges  
9 and credits, lists the estimated dollar per kilowatt-hour ("kWh") charge for  
10 renewable energy during the first year of the R\*C-I program phase (2025), includes  
11 the rules and regulations that govern the operation of the program, and specifies  
12 how and when the charges and credits will be updated. In this case, SPS is  
13 proposing a specific form of the tariff for application during the R\*C-I program  
14 phase. However, the proposed R\*C Rate Rider would also serve as the general  
15 framework for the future phases of the program. A copy of the proposed R\*C Rate  
16 Rider is provided as Attachment RMS-3 to Ms. Sakya's testimony.



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1 **Q. You referred to future phases of the Large Customer R\*C program. Please**  
2 **elaborate.**

3 A. SPS is introducing the Large Customer R\*C program with an initial phase utilizing  
4 SPS's existing non-jurisdictional share of the Roswell-Chaves Solar Facilities  
5 generating capacity as the first R\*C resource. If the Commission approves the R\*C  
6 program and there is demonstrated customer interest in a future resource, a future  
7 program offering could balance customer interest in additional renewable products  
8 with the long lead times required to develop electric generation resources. As  
9 discussed below, this first phase, R\*C-I, is designed to enable expedited  
10 implementation of the R\*C program through the use of SPS's existing, non-  
11 jurisdictional solar resources located in New Mexico.

12 A future offering could allow for expansion of the program. To facilitate  
13 such expansion, SPS would need to identify and acquire appropriately sized and  
14 priced resources. SPS recently issued an all-source, competitive resource  
15 solicitation seeking bids to address SPS's capacity and energy needs through 2027.  
16 Resources as a result of that resource solicitation were announced in June 2023 and  
17 will be reviewed by the Commission in associated filings made later this year.  
18 Assuming there is sufficient customer demand in a future R\*C offering, SPS would

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1 be willing to approach the non-winning bidders to determine their willingness to  
2 supply renewable energy for an expanded R\*C program. SPS would also be willing  
3 to issue a solicitation specifically for a R\*C resource. Under the Commission's  
4 Integrated Resource Planning rules, SPS will also be issuing another all-source,  
5 competitive solicitation for generation resources in 2024. That solicitation could  
6 also potentially be utilized to secure a R\*C resource.

7 Ultimately, if SPS's customers request program expansion and SPS can  
8 identify and acquire an appropriate resource, there may be opportunities for SPS to  
9 develop and seek Commission approval of a future Renewable\*Connect program  
10 phase. SPS would expect that the general formulas for calculating a subscribing  
11 customer's monthly R\*C charge and credits would be the same or similar for future  
12 offerings. Accordingly, Commission approval in this case of the methodology for  
13 calculating and updating annually the charge and credits during the R\*C-I phase  
14 would inform and expedite the development of a future R\*C offering.

1           **V.    SPS’S PROPOSED LARGE CUSTOMER R\*C PROGRAM**

2   **A.    Program Resources**

3   **Q.    What is the source of the renewable energy that will be available to eligible**  
4       **customers through the R\*C-I program phase?**

5   A.    SPS proposes to supply the R\*C-I program phase with the existing approximately  
6       80 MW of non-jurisdictional generating capacity associated with the Roswell-  
7       Chaves Solar Facilities.

8   **Q.    Are the Roswell-Chaves Solar Facilities currently treated as System**  
9       **Resources?**

10   A.   Not entirely. Originally approved by the Commission in Case No. 15-00083-UT  
11       as an economic system resource, SPS purchases all of the energy generated from  
12       the Roswell-Chaves Solar Facilities (each facility has 70 MW of generating  
13       capacity, for a total of 140 MW). SPS’s intent was to allocate the energy from the  
14       facilities to each of its three jurisdictions through its respective fuel mechanisms.  
15       However, in Public Utility Commission of Texas (“PUCT”) Docket No. 48973, the  
16       PUCT held that SPS could not recover from its Texas retail customers the Texas-  
17       allocated portion of the facilities’ costs. Following the PUCT’s decision, SPS  
18       proposed to allocate the full output from the Roswell-Chaves Solar Facilities to

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1 New Mexico. However, that offer was declined by the Commission in Case No.  
2 20-00143-UT. Accordingly, SPS now has approximately 80 MW of unassigned or  
3 non-jurisdictional generating capacity for use or sale into the SPP market. SPS's  
4 shareholders are responsible for the non-jurisdictional energy generated by the  
5 Roswell-Chaves Solar Facilities PPAs.

6 **Q. Why is SPS proposing that the Roswell-Chaves Solar Facilities non-**  
7 **jurisdictional generating capacity be utilized for R\*C-I?**

8 A. Because the Roswell-Chaves Solar Facilities are currently operational on SPS's  
9 system, utilization of the approximately 80 MW of non-jurisdictional generating  
10 capacity for the R\*C-I program enables SPS to offer the program to customers on  
11 an expedited basis.<sup>9</sup> Following receipt of Commission approval of the Large  
12 Customer R\*C program in this proceeding, SPS estimates that the R\*C-I program  
13 phase could be open and available to customers in 2025. The Roswell-Chaves Solar  
14 Facilities PPAs end in late 2041.<sup>10</sup> Accordingly, assuming the approximately 80

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<sup>9</sup> If the renewable energy for the program was sourced from a new renewable generation resource it could take up to five years to implement the program recognizing the time necessary to issue a Request for Proposals, seek Commission approval, and construct the resource.

<sup>10</sup> The Roswell PPA ends in October 2041 and the Chaves PPA ends in November 2041.

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1 MW is made available for the R\*C-I program in 2025, customers would be able to  
2 subscribe to energy from these resources for up to 16 years.

3 **B. R\*C-I Program Details**

4 **Q. What subscription terms is SPS proposing for the R\*C-I program phase?**

5 A. Based upon the remaining terms of the Roswell-Chaves Solar Facilities PPAs and  
6 demonstrated interest from SPS's customers, SPS is proposing two subscription  
7 term options for the R\*C-I program phase: a 10-year subscription term and a  
8 16-year subscription term.

9 **Q. Why are these subscription term options reasonable?**

10 A. Many of the customers that have expressed interest in the R\*C program have  
11 indicated a desire for the longest subscription term available. SPS's proposed  
12 16-year subscription term meets this desire as it is the longest term available  
13 through existing resources. SPS's proposed 10-year subscription term is reasonable  
14 as it is within the range of subscription terms for which customers have expressed  
15 interest. As discussed by Mr. Smiley, there is sufficient interest in the R\*C-I  
16 program phase to fully subscribe the program under either term option. The 16-  
17 year term offering is based on and tied to the remaining term of the Roswell-Chaves

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1 Solar Facilities PPAs. Thus, going forward, the length of the offering will adjust  
2 consistent with the remaining length of the resource PPAs.

3 **Q. Who will be responsible for paying the costs associated with the R\*C-I**  
4 **program phase?**

5 A. The R\*C-I program phase is designed to ensure no harm to and no  
6 cross-subsidization by non-subscribers. Specifically, the R\*C-I program phase is  
7 designed such that subscribing customers will pay all incremental costs associated  
8 with the program, including but not limited to SPS's costs to acquire the renewable  
9 energy (including the Renewable Energy Certificates ("RECs")) and all  
10 administrative costs. In exchange for being responsible for all incremental costs  
11 associated with the program, R\*C-I subscribers will be provided with certain bill  
12 credits, which I discuss further below.

13 **Q. Please describe the monthly charge and bill credits associated with renewable**  
14 **energy acquired through the R\*C-I program phase.**

15 A. As discussed by SPS witness Ms. Sakya, a subscribing customer will pay a monthly  
16 dollar per megawatt-hour ("MWh") charge for renewable energy acquired through  
17 the R\*C-I program. In addition, a subscribing customer will receive four credits  
18 applied to their monthly bill for energy purchased through the R\*C-I program: a

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1 demand charge credit; an energy charge credit; a Fuel and Purchased Power Cost  
2 Adjustment Clause (“FPPCAC”) charge credit; and a RPS Cost Rider charge credit.  
3 Generally, these credits are designed to ensure that subscribing customers: (1) pay  
4 only for their monthly energy consumption; (2) do not pay production related  
5 demand charges on the portion of their monthly load served by their subscribed  
6 share of R\*C-I resource generating capacity; (3) do not pay fuel-related charges on  
7 the portion of their monthly load served by their monthly R\*C-I renewable energy  
8 allocation; and (4) do not pay charges associated with SPS’s compliance with the  
9 RPS on renewable energy acquired through the program. The R\*C-I charge and  
10 credits will be applied to subscribing customers’ monthly bills on top of their  
11 established LGS-T rate schedule (Rate No. 34) charges.

12 Ms. Sakya presents the specific formula for calculating the R\*C-I charge,  
13 including descriptions of the individual charge components, and explains how the  
14 proposed monthly credits will be calculated. Below I address the reasonableness of  
15 the specific R\*C-I charge components as well as each credit.

16 **Q. Is it possible that the R\*C-I program will be oversubscribed?**

17 A. No. SPS has designed the program to prevent oversubscription—i.e., a situation in  
18 which SPS would be obligated to supply subscribing customers with more energy

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1 than is produced by the non-jurisdictional share of the Roswell-Chaves Solar  
2 Facilities generating capacity. This is because subscribing customers' monthly  
3 renewable energy allocations will be based on their percentage share (based on their  
4 subscribed generation share) of the actual monthly energy output of the Roswell-  
5 Chaves Solar Facilities.

6 **Q. Is it possible that the R\*C-I program will be undersubscribed?**

7 A. Yes, undersubscription—i.e., a situation in which SPS would be obligated to supply  
8 less energy through the R\*C-I program than is produced by the R\*C-I program  
9 resource—is possible. Though, based on customer interest, as discussed by Mr.  
10 Smiley, SPS believes this possibility is unlikely.

11 **Q. Who will pay for the costs associated with the R\*C-I program phase in the  
12 event that the available energy is undersubscribed?**

13 A. As it is today, SPS will remain responsible for the costs associated with all energy  
14 generated by the Roswell-Chaves Solar Facilities' non-jurisdictional generating  
15 capacity. Specifically, SPS is committing to not seek any incremental costs  
16 associated with unsubscribed energy during the R\*C-I program phase from non-  
17 subscribing customers because the program resource—i.e., the Roswell-Chaves  
18 Solar Facilities—is a non-system resource. However, annual incremental costs



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1 associated with the program that would not have been incurred but for the  
2 program—e.g., costs of RECs and administrative costs necessary to implement the  
3 program—that are not collected in a particular year due to undersubscription of the  
4 program will be trued up in SPS’s annual updates and reallocated among the  
5 existing program subscribers. This process will protect non-subscribers from  
6 bearing incremental costs associated with the R\*C-I program phase.

7 **Q. Is it possible that a subscribing customer’s actual monthly energy usage will**  
8 **be less than the customer’s monthly R\*C-I energy allocation share?**

9 A. Yes, it is possible that a portion of the customer’s subscribed monthly R\*C-I  
10 renewable energy allocation could go unused. In other words, it is possible that a  
11 subscribing customer’s monthly metered usage could be less than their monthly  
12 R\*C-I renewable energy allocation. For example, as discussed by Mr. Smiley, this  
13 could occur due to a facility at the subscribed premise being off line for a short  
14 period of time for maintenance or repair.

15 **Q. Please describe how SPS proposes to treat a subscribing customer’s unused**  
16 **energy during the R\*C-I program phase.**

17 A. Because all energy delivered from the R\*C-I program resource—i.e., the Roswell-  
18 Chaves Solar Facilities—in a month must be used, SPS proposes to allocate a

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1 customer's subscribed but unused energy to the SPS system at the unused energy  
2 rate. The unused energy rate will be based on the previous calendar year average  
3 Locational Marginal Price for energy at the Roswell-Chaves Solar Facilities  
4 settlement locations, as determined by the Southwest Power Pool, Inc. ("Southwest  
5 Power Pool"), and will be adjusted in following months to the actual Locational  
6 Marginal Price periodically.

7 Further, a subscribing customer's monthly R\*C-I charge will be based on  
8 the customer's full monthly R\*C-I renewable energy allocation, including the  
9 unused energy. However, SPS will apply a credit (or in some instances a charge)<sup>11</sup>  
10 to the customer's total R\*C-I charge.<sup>12</sup> As explained by Ms. Sakya, the total unused  
11 credit/charge (in \$) to be applied against the total R\*C-I charge will be determined  
12 by multiplying the volume of unused energy (measured in MWh) by the unused  
13 energy rate (\$/MWh).

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<sup>11</sup> It is possible for this to be a charge, depending of the Southwest Power Pool LMPs and/or natural gas prices.

<sup>12</sup> As explained by Ms. Sakya, when determining a customer's total monthly R\*C-I charge, SPS begins by calculating the REC costs, which will be recovered from the customer, regardless of the unused energy credit/charge. Consequently, SPS will retire all RECs associated with the subscribing customer's monthly R\*C-I renewable energy allocation on behalf of the customer.

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1 **Q. Is SPS's proposed treatment of unused subscribed energy reasonable?**

2 A. Yes, as it reasonably balances the interests of all potentially affected parties—  
3 subscribers, non-subscribers, and SPS. As to subscribers, the unused energy  
4 credit/charge ensures they are compensated or charged for the unused portion of  
5 their monthly R\*C-I renewable energy allocation that was allocated to the SPS  
6 system and used by non-subscribers. For non-subscribers, as explained by Ms.  
7 Sakya, the rate at which SPS proposes to charge for the unused energy allocated to  
8 the SPS system reflects SPS's avoided costs associated with the Roswell-Chaves  
9 Solar Facilities. This methodology ensures non-subscribers remain indifferent  
10 between the cost of energy generated by the R\*C-I program resources and the cost  
11 of energy generated by other resources that might have been procured. Finally, for  
12 SPS, the proposal protects the company from absorbing all costs associated with  
13 unused subscribed energy.

14 **Q. What if a customer wishes to cancel their subscription?**

15 A. As discussed by SPS witness Mr. Smiley, a customer may terminate their  
16 subscription prior to the completion of the customer's subscription term by  
17 providing SPS written notice at least sixty (60) days before the desired Early

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1 Termination Effective Date (“ETE Date”). The terminating customer, however,  
2 will be subject to a monthly termination fee.

3 **Q. Please describe how the termination fee will be determined.**

4 A. The early termination fee will be billed monthly and will equal the customer’s  
5 financial commitment to the subscribed energy over the remainder of the  
6 customer’s terminated subscription term. Specifically, on a monthly basis, from  
7 the ETE Date until what would have been the final month of the customer’s  
8 subscription term, SPS will bill the terminating customer all monthly R\*C-I  
9 program charges and apply all monthly R\*C-I program credits as if the customer’s  
10 subscription remained in effect and the subscribed renewable energy allocation was  
11 fully consumed by the customer. As a result of this fee, SPS is positioned to protect  
12 non-subscribing customers from bearing incremental costs associated with the  
13 R\*C-I program phase.

14 **Q. Are there circumstances in which the terminating customer will not be**  
15 **obligated to pay the entire early termination fee?**

16 A. Yes. The terminating customer will not be obligated to pay the early termination  
17 fee if another eligible customer fully subscribes to the customer’s subscription share  
18 before the terminating customer’s ETE Date. This can happen if SPS has a

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1 customer on the waiting list who will agree to assume the terminating customer's  
2 remaining subscription. In addition, in the instance in which there is no alternate,  
3 an eligible customer willing to assume the terminating customer's contracted  
4 energy commitment, SPS will attempt to sell the unsubscribed energy. Any  
5 revenues from such sales—in excess of the costs of the energy to SPS and  
6 administrative costs associated with effectuating the sale—will be used to offset the  
7 monthly early termination fee. However, in no month will the terminating customer  
8 receive a credit from the sale of energy that exceeds the monthly early termination  
9 fee.

10 **Q. Is the proposed early termination fee reasonable?**

11 A. Yes. The early termination fee is designed to ensure that SPS is reimbursed for its  
12 costs of administering and implementing the R\*C-I program phase as well as the  
13 costs of the terminating customer's allocated share of the Roswell-Chaves Solar  
14 Facilities' non-jurisdictional generation directly from the customer on whose behalf  
15 those costs were incurred. The termination fee proposal also requires SPS to take  
16 steps to mitigate the fee to the extent reasonably practicable.

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1 C. **Reasonableness of Proposed R\*C-I Charge Components**

2 Q. **What are the components of the R\*C-I Charge?**

3 A. As detailed by Ms. Sakya, the R\*C-I charge is calculated using the following  
4 formula:

5  **$R^*C-I \text{ charge} = (A + B + C) * D$** , where:

- 6 A. \$/MWh, total Cost of the Renewable\*Connect resource(s);  
7 B. \$/MWh, total resource(s) Net Curtailment and Congestion  
8 costs;  
9 C. \$/MWh, incremental program-specific Administration costs;  
10 and  
11 D. Full Subscription Incentive Charge for 10-year term subscriptions.

12 Q. **Please describe the resource cost charge component (A) of the R\*C-I charge**  
13 **formula.**

14 A. The resource cost charge component reflects the combined cost of purchasing the  
15 renewable energy and associated RECs produced by the non-jurisdictional share of  
16 the Roswell-Chaves Solar Facilities. SPS witness Ms. Sakya details how this  
17 charge is calculated.

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1 **Q. Is it reasonable to include the resource costs in the R\*C-I charge formula?**

2 A. Yes, it is reasonable to include the resource costs because these costs reflect SPS's  
3 costs of acquiring the renewable energy and the associated RECs provided through  
4 the program. Effectively, this component is a cost-based charge.

5 **Q. Please describe the curtailment and congestion cost component (B) of the R\*C-I**  
6 **I charge formula.**

7 A. The curtailment and congestion costs included in the R\*C-I charge formula reflect  
8 the costs incurred by SPS related to the production of energy from the Roswell-  
9 Chaves Solar Facilities due to congestion and the curtailment of energy production  
10 for grid balancing purposes net of offsetting credits for Transmission Congestion  
11 Rights ("TCR"). Ms. Sakya details how the amount associated with these costs is  
12 determined for purposes of the R\*C-I charge component.

13 **Q. Is it reasonable to include curtailment and congestion costs in the R\*C-I**  
14 **charge?**

15 A. Yes, it is reasonable to allocate curtailment and congestion costs to R\*C-I  
16 subscribing customers because these are SPS's incremental costs associated with  
17 the renewable energy supplied under the R\*C-I program. This also protects non-  
18 subscribing customers from bearing incremental costs associated with the program.

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1   **Q.   Please describe the program administration cost component (C) of the R\*C-I**  
2       **charge.**

3   **A.**   The program administration cost component accounts for the incremental costs of  
4       noticing, implementing, and administering the program. The total \$/MWh charge  
5       for the administration cost component is composed of the costs associated with the  
6       following:

- 7       •   **TCR Auction Administration Expenses** – These are the costs associated  
8       with running the TCR auction. This includes the costs of designing and  
9       implementing the auction process, evaluating bids, selecting winning offers,  
10      and disbursing payments to the winning bidders.
- 11      •   **Incremental REC Accounting & Management** – The management of  
12      RECs involves a variety of tasks, such as tracking the production and  
13      retirement of RECs, ensuring that the RECs are properly certified and  
14      registered, and managing the financial transactions related to REC  
15      purchases and sales. The costs associated with managing RECs can include  
16      staff salaries, software and technology expenses, regulatory compliance  
17      expenses, and other administrative costs.
- 18      •   **Volumetric Western Renewable Energy Generation Information**  
19      **System (“WREGIS”) REC Activity Costs** – These are the costs that  
20      WREGIS charges for REC transaction activities (such as creation, transfer,  
21      and retirement). SPS does not currently receive the RECs associated with  
22      the portion of energy that will be assigned to the R\*C-I program phase.  
23      Therefore, these are incremental costs, directly related to the program, and  
24      not recovered elsewhere and are appropriately included as a program cost.
- 25      •   **Information Technology (“IT”) Costs** – These are the costs associated  
26      with the development and maintenance of the IT systems necessary to  
27



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1 implement and administer the R\*C-I program, including hardware and  
2 software expenses, licensing fees, and IT staff salaries and/or consulting  
3 fees. IT costs may include customer account management software,  
4 customer service support system, billing and payment processing software,  
5 and cybersecurity software and protocols. It is reasonable and necessary to  
6 ensure that the program has an effective IT system in place to manage  
7 customer data and financial transactions.

8 • **Marketing and Promotion Costs** – These are the costs necessary to  
9 promote subscriber acquisition by reaching potential customers who may  
10 be interested in the R\*C-I program. These costs may include activities such  
11 as developing marketing materials, creating targeted advertising campaigns,  
12 organizing events, and establishing partnerships with other organizations.

13 • **Notice** – These are the noticing costs associated with the regulatory  
14 approval process of this program.

15 • **External Legal Expense** – These are the costs associated with preparing  
16 and processing the regulatory approval filing, to ensure that the program is  
17 structured properly and complies with all relevant laws and regulations.

18 • **Product Development Expense** – This activity identifies, assesses, and  
19 develops new customer programs, including technical analysis, and  
20 supports the modification of current programs.

21 • **Labor Costs** – These are the costs associated with the initial set up and  
22 ongoing administration of the R\*C-I program.

23 All of these costs are incremental and not included in SPS's base rates or, as a result  
24 of the various credits, not collected through base rates. In addition, these costs will  
25 be tracked separately to ensure that they can be included directly in the R\*C-I  
26 Charge and paid only by program participants. Ms. Sakya discusses the specific

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1 amounts included for each of these administration cost inputs for purposes of  
2 estimating the R\*C-I charge for the first year of the program (2025).

3 **Q. Is it reasonable to include the administration costs in the R\*C-I charge?**

4 A. Yes, the administration costs are incremental expenses that would not have been  
5 incurred but for the R\*C-I program. Accordingly, it is reasonable to directly  
6 allocate these costs to the customers utilizing the program.

7 **Q. Please describe the full subscription incentive charge component (D) of the**  
8 **R\*C-I charge formula.**

9 A. The full subscription incentive is included as part of the R\*C-I charge for customers  
10 taking service under the 10-year subscription term option. Effectively, the charge  
11 provides an incentive for a customer who takes service under the 16-year term,  
12 which reflects the full remaining term of the Roswell-Chaves Solar Facilities PPAs.  
13 Ms. Sakya discusses the application of this component in the R\*C-I charge formula.

14 **Q. Is it reasonable to include the full subscription charge component in the R\*C-**  
15 **I charge for 10-year term subscriptions?**

16 A. Yes. Currently, SPS has the ability to sell the non-jurisdictional output of the  
17 Roswell-Chaves Solar Facilities in the Southwest Power Pool. By committing to  
18 use this energy for the R\*C-I program, SPS is taking on a new risk that was not

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1 previously inherent. Consequently, the full subscription charge is reasonable  
2 because it compensates SPS for the decreased optionality arising from the 10-year  
3 subscription term, which could leave SPS with a significant amount of  
4 unsubscribed energy in the last 6 years of the Roswell-Chaves Solar Facilities PPAs  
5 if not subscribed for R\*C in the future.

6 **D. Reasonableness of Proposed R\*C-I Credit Components**

7 **Q. Please discuss the reasonableness of the monthly demand charge credit.**

8 A. Each month, R\*C-I subscribers will be charged all applicable demand charges  
9 (which includes costs for both production and transmission) for each kW of  
10 measured demand used at the subscribed premise based on their existing  
11 Commission-approved rates. However, the R\*C-I program resource production  
12 capacity will be used to meet some or potentially all of the subscribing customer's  
13 measured demand. Consequently, the demand charge credit is reasonable because  
14 it provides a credit equal to the production component of the demand charges paid  
15 on the portion of the customer's actual monthly measured demand served by their  
16 subscribed generation share of the R\*C-I program resource generating capacity.  
17 This credit is reasonable as it is based on SPS's embedded generation capacity costs  
18 and ensures the R\*C-I customers do not pay for both embedded generation and

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1 generation capacity acquired through the R\*C-I program. SPS witness Ms. Sakya  
2 discusses the formula for determining a customer's monthly demand charge credit.

3 **Q. Please discuss the reasonableness of the monthly energy charge credit.**

4 A. Each month, R\*C-I subscribing customers will be charged for their full monthly  
5 energy usage based on their existing Commission-approved rates. However,  
6 energy procured through the R\*C-I program is replacing energy that would have  
7 been purchased from SPS at the subscribing customer's existing rate. Accordingly,  
8 to ensure that the subscribing customer is not charged twice for the same volume  
9 of energy, it is reasonable for SPS to provide the customer a credit equal to what  
10 the customer paid for the subscribed energy volume at the customer's standard  
11 rate. Ms. Sakya further discusses how the energy charge credit will be calculated  
12 and applied to a subscribing customer's bill.

13 **Q. Please discuss the reasonableness of the FPPCAC charge credit.**

14 A. Each month, subscribing customers will be assessed monthly FPPCAC charges on  
15 their total energy usage based on the Commission approved FPPCAC rate.  
16 Accordingly, the FPPCAC offset is reasonable because it compensates subscribing  
17 customers for the fuel and purchased power costs paid by the customer associated  
18 with energy that has been replaced by the zero-fuel cost renewable energy acquired

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1 through the R\*C-I program. Subscribing customers assume the risk or benefit of  
2 future fluctuations in the fuel credits they will receive from participating in the  
3 program.

4 **Q. Please discuss the reasonableness of the RPS Cost Rider charge credit.**

5 A. Section 62-16-7(B)(3) of the REA provides that renewable energy purchased by a  
6 customer through a voluntary renewable program shall “not be subject to charges  
7 by the public utility to recover costs of complying with the renewable portfolio  
8 standard requirements....” Accordingly, the RPS Cost Rider charge credit is  
9 reasonable because it complies with the REA by ensuring that the renewable energy  
10 acquired through the R\*C-I program is not subject to the costs associated with  
11 SPS’s compliance with the RPS standard.

1 **VI. CONCLUSION**

2 **Q. Is SPS's R\*C proposal a reasonable program offering, consistent with sound**  
3 **regulatory and policy practices?**

4 A. Yes. SPS's proposed program is consistent with the REA and Rule 572 and  
5 reasonably balances the interests of participating customers, non-participating  
6 customers, and SPS. Consequently, for the reasons stated above, the Commission  
7 should grant SPS's requested approvals necessary to implement the initial program  
8 phase, R\*C-I, and issue a final order that:

- 9 • approves the terms and conditions of participation in the R\*C-I program  
10 phase offering, including the subscription process and associated customer  
11 agreement;
- 12 • authorizes SPS's proposed use of the Roswell-Chaves Solar Facilities'  
13 approximately 80 MW of non-jurisdictional generating capacity to supply  
14 the R\*C-I program phase;
- 15 • approves SPS's proposed formula for calculating and applying the monthly  
16 customer (subscriber) charge for renewable energy purchased through the  
17 R\*C-I program phase;
- 18 • approves SPS's proposed monthly credits available to R\*C-I program  
19 subscribers;
- 20 • authorizes SPS to allocate a subscribing customer's unused energy to the  
21 SPS system;
- 22 • approves SPS's proposed methodology for charging subscribing customers  
23 for their unused energy;

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- 1
- 2
- 3
- 4
- approves the form of the proposed tariff, the R\*C Rate Rider, provided as Attachment RMS-3 to the testimony of SPS witness Ruth M. Sakya, as well as SPS's proposed process for implementing and annually updating the charge and credit components of the R\*C Rate Rider; and
- 5
- grants to SPS all other approvals, authorizations, waivers, or variances that the Commission determines are necessary for SPS to implement and effectuate the relief granted in this case.
- 6
- 7





## Prior Cases

No.	Case Description	Regulatory Agency	Company
NMPRC Case No. 23-00252-UT	<i>In the Matter of Southwestern Public Service Company's Application Requesting: (1) Issuance of a Certification of Public Convenience and Necessity to Construct and Operation Solar Generation and Battery Storage Projects and Associated Facilities; (2) Authorization of Related Ratemaking Principles Including Accrual of an Allowance for Funds Used During Construction; (3) Authorization to Abandon the Cunningham Unit 2 Generating Station; and (4) Other Associated Relief</i>	New Mexico Public Regulation Commission	SPS
PUCT Docket No. 55255	<i>Application of Southwestern Public Service Company to Amend its Certificate of Convenience and Necessity to Construct Generation Facilities in Lamb County, Texas and Lea County, New Mexico; for Good-Cause Exceptions; and for Related Relief</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 54952	<i>Application of Southwestern Public Service Company to Revise its Fuel Factor Formula; Interim Approval; and for Related Relief</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 54364	<i>Application of Southwestern Public Service Company for Authority to Change Rates</i>	Public Utility Commission of Texas	SPS
NMPRC Case No. 22-00286-UT	<i>In the Matter of Southwestern Public Service Company's Application for: (1) Revision of Its Retail Rates Under Advice Notice No. 312; (2) Authority to Abandon the Plant X Unit 1, Plant X Unit 2, and Cunningham Unit 1 Generation Stations and Amend the Abandonment Date of the Tolk Generating Station; and (3) Other Associated Relief</i>	New Mexico Public Regulation Commission	SPS
PUCT Docket No. 53034	<i>Application of Southwestern Public Service Company to Reconcile Fuel and Purchased Power Costs for the Period July 1, 2018 through June 30, 2021</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 53529	<i>Application of the City of Lubbock, Acting By and Through Lubbock Power &amp; Light, for Authority to Connect the Remaining Portion of its Load with the Electric Reliability Council of Texas and for Approval of Settlement Agreement</i>	Public Utility Commission of Texas	SPS
NMPRC Case No. 22-00178-UT	<i>In the Matter of Southwestern Public Service Company's Application for Authorization to Implement Grid Modernization Components that Include Advanced Metering Infrastructure and Recover the Associated Costs through a Rider, Issuance of Related Accounting Orders, and Other Associated Relief</i>	New Mexico Public Regulation Commission	SPS
CPUC Proceeding No. 22AL-0046G	<i>In the Matter of Advice No. 993 - Gas of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 6 - Gas Tariff to Increase Jurisdictional Base Rate Revenues, Implement New Base Rates for All Gas Rate Schedules, and Make Other Proposed Tariff Changes Effective February 24, 2022</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0298E	<i>In the Matter of the Application of Public Service Company of Colorado for Certificates of Public Convenience and Necessity for Interconnection Facilities and Network Upgrades Associated with the Colorado Energy Plan Portfolio</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0472G	<i>In the Matter of the Application of Public Service Company of Colorado for a Certificate of Public Convenience and Necessity for the West Metro Gas Project</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0071G	<i>In the Matter of the Verified Application of Public Service Company of Colorado for Approval to Extend the Company's Pipeline System Integrity Adjustment ("PSIA") Rider for Certain Projects Through 2024, with Subsequent Wind-Down of the Rider</i>	Colorado Public Utilities Commission	PSCo

## Prior Cases

No.	Case Description	Regulatory Agency	Company
CPUC Proceeding No. 21A-0370E	<i>In the Matter of the Application of Public Service Company of Colorado for an Order Approving Expenses Incurred for the Period January 2020 through December 2020 that are Recovered Through the Electric Commodity Adjustment and Approving of the Calculation of 2020 Short Term Sales Margins</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21AL-0317E	<i>In the Matter of Advice Letter No. 1857 - Electric filed by Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 - Electric Tariff to Revise Jurisdictional Base Rate Revenues, Implement New Base Rates for All Electric Rate Schedules, and Make Other Proposed Tariff Changes to Become Effective August 2, 2021</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0279E	<i>In the Matter of the Application of Public Service Company of Colorado for Approval to Amend the Certificate of Public Convenience and Necessity for its Advanced Grid Intelligence and Security (AGIS) Initiative</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0203ST	<i>In the Matter of The Application of Public Service Company of Colorado for Recovery of Costs Associated with the February 2021 Extreme Weather Event for its Steam Utility</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0192EG	<i>In the Matter of the Application of Public Service Company of Colorado for Recovery of Costs Associated with the February 2021 Extreme Weather Event for its Electric and Gas Utilities</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0141E	<i>In the Matter of the Application of Public Service Company of Colorado for Approval of its 2021 Electric Resource Plan and Clean Energy Plan</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 21A-0096E	<i>In the Matter of the Application of Public Service Company of Colorado for a Certificate of Public Convenience and Necessity for Colorado's Power Pathway 345 kV Transmission Project and Associated Findings Regarding Noise and Magnetic Field Reasonableness</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 20AL-0432E	<i>In the Matter of Advice No. 1835 - Electric of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 - Electric Tariff to Eliminate the Currently Effective General Rate Schedule Adjustments to Place into Effect Revised Base Rates and Other Phase II Tariff Proposals to Become Effective November 19, 2020</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 20A-0082E	<i>In the Matter of the Application of Public Service Company of Colorado for a Certificate of Public Convenience and Necessity for the High Point Substation Project</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 20A-0327E	<i>In the Matter of the Application of Public Service Company of Colorado for an Order Approving Expenses Incurred for the Period January 2019 through December 2019 that are Recovered through the Electric Commodity Adjustment and Approving of the Calculation of 2019 Short Term Sales Margins</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding Nos. 19A-0728E 20A-0063E (consolidated)	<i>In the Matter of the Application of Public Service Company of Colorado for a Certificate of Public Convenience and Necessity for the Voltage Control Facilities Associated with the Colorado Energy Plan</i>  <i>In the Matter of the Application of Public Service Company of Colorado for a Certificate of Public Convenience and Necessity for the Greenwood to Denver Terminal 230 kV Transmission Project Associated with the Colorado Energy Plan, Associated Findings of Noise and Magnetic Field Reasonableness, and Uprate Projects</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 19A-0225E	<i>In the Matter of the Application of Public Service Company of Colorado for Approval of its Community Resiliency Initiative Pursuant to § 40-2-203(4), C.R.S.</i>	Colorado Public Utilities Commission	PSCo

## Prior Cases

No.	Case Description	Regulatory Agency	Company
CPUC Proceeding No. 20AL-0049G	<i>In the Matter of Advice No. 961 - Gas of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 6 - Gas Tariff to Increase Jurisdictional Base Rate Revenues, Implement New Base Rates for All Gas Rate Schedules, and Make Other Proposed Tariff Changes Effective March 7, 2020</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 20A-0300E	<i>In the Matter of the Application of Public Service Company of Colorado for Approval of Wildfire Mitigation Plan and Wildfire Protection Rider</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 19A-0425E	<i>In the Matter of the Application of Public Service Company of Colorado for an Order Approving Expenses Incurred for the Period January 2018 Through December 2018 that are Recovered Through the Electric Commodity Adjustment and Approving the Calculation of 2018 Short Term Sales Margins</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 19AL-0687E	<i>In the Matter of Advice Letter No. 1814 - Electric of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 - Electric Tariff to Reflect a Modified Schedule RE-TOU and Related Tariff Changes to be Effective on Thirty-Days' Notice</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 19AL-0309G	<i>In the Matter of Advice No. 949 - Gas Filed by Public Service Company of Colorado to Revise its Colorado P.U.C. No. 6 - Gas Tariff to Reflect Revised Rates and Rate Schedules, Revise its Transportation Tariff, and Make Other Proposed Tariff Changes to be Effective on Thirty-Days' Notice</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 19AL-0268E	<i>In the Matter of Advice No. 1797 - Electric of Public Service Company of Colorado to Revise its Colorado P.U.C. No. 8 - Electric Tariff to Implement Rate Changes Effective on Thirty-days' Notice</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 18A-0905E	<i>In the Matter of the Application of Public Service Company of Colorado for Approval of the 500 MW Cheyenne Ridge Wind Project, a Certificate of Public Convenience and Necessity for the Cheyenne Ridge Wind Farm, and a Certificate of Public Convenience and Necessity for the 345 kV Generation Tie Line and Associated Findings of Notice and Magnetic Field Reasonableness</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 17AL-0363G	<i>In the Matter of Advice Letter No. 912 - Gas Filed by Public Service Company of Colorado to Revise its Colorado P.U.C. No. 6-Gas Tariff to Implement a General Rate Schedule Adjustment and Other Rate Changes Effective on 30-Days Notice</i>	Colorado Public Utilities Commission	PSCo
CPUC Proceeding No. 18M-0401E	<i>In the Matter of the Commission's Consideration of the Revised Stipulation and Settlement Agreement Regarding the Incorporation of the Impacts of the Tax Cut and Jobs Act of 2017 Into the Rates of Public Service Company of Colorado for Electric Service</i>	Colorado Public Utilities Commission	PSCo
PUCT Docket No. 44498	<i>Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 43695</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 45560	<i>Application of Southwestern Public Service Company for Authority to Refund Remaining Gain-on-Sale Amounts Associated with Docket Nos. 41430 and 44671</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 42004	<i>Application of Southwestern Public Service Company for Authority to Change Rates and Reconcile Fuel and Purchased Power Costs for the Period of July 1, 2012 through June 30, 2013</i>	Public Utility Commission of Texas	SPS
PUCT Docket No. 39362	<i>Texas-New Mexico Power Company Request for Approval to Adjust the Energy Efficiency Cost Recovery Factor (EECRF) and Related Relief</i>	Public Utility Commission of Texas	TNMP

**Prior Cases**

<b>No.</b>	<b>Case Description</b>	<b>Regulatory Agency</b>	<b>Company</b>
PUCT Docket No. 39362	<i>Texas-New Mexico Power Company Request for Approval to Adjust the Energy Efficiency Cost Recovery Factor (EECRF)</i>	Public Utility Commission of Texas	TNMP