

**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) PROCEEDING NO. 21A-_____E
2021 ELECTRIC RESOURCE PLAN AND)
CLEAN ENERGY PLAN)**

DIRECT TESTIMONY AND ATTACHMENTS OF HOLLY L. STANTON

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

March 31, 2021

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LIST OF ATTACHMENTS

Attachment HLS-1	Workforce Transition Plan (2021)
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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
2021 ERP & CEP	2021 Electric Resource Plan and Clean Energy Plan
CEP	Clean Energy Plan
Commission	Colorado Public Utilities Commission
ERP	Electric Resource Plan
HB 19-1314	House Bill 19-1314
IBEW	International Brotherhood of Electrical Workers
OJT	Office of Just Transition
Public Service or Company	Public Service Company of Colorado
SB 19-236	Senate Bill 19-236
XES	Xcel Energy Services Inc.
Xcel Energy	Xcel Energy Inc.

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1 **I. INTRODUCTION, QUALIFICATIONS, AND PURPOSE OF TESTIMONY**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Holly L. Stanton. My business address is 1800 Larimer Street, Denver,
4 Colorado 80202.

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

6 A. I am employed by Xcel Energy Services Inc. ("XES") as Manager, Strategic
7 Workforce Planning. XES is a wholly owned subsidiary of Xcel Energy Inc. ("Xcel
8 Energy") and provides an array of support services to Public Service Company of
9 Colorado ("Public Service" or the "Company") and the other utility operating
10 company subsidiaries of Xcel Energy on a coordinated basis.

11 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THE PROCEEDING?**

12 A. I am testifying on behalf of Public Service Company of Colorado.

1 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.**

2 A. As Manager, Strategic Workforce Planning, I am responsible for managing the
3 Strategic Workforce Planning department and overseeing and performing strategic
4 workforce planning across the organization. In this role, my team and I use data
5 driven insights to lead business areas through the creation of workforce plans that
6 support the strategies and goals of the Company with the connected workforce
7 solutions that will enable the success of these strategies. This includes the
8 creation of a workforce transition plan, consistent and repeatable processes, data,
9 and tools, and supports for workers impacted by the retirement of our coal plants.
10 A description of my qualifications, duties, and responsibilities is set forth in my
11 Statement of Qualifications at the conclusion of my Direct Testimony.

12 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

13 A. The purpose of my Direct Testimony is to describe the Company's workforce
14 transition plan and processes associated with the Company's 2021 Electric
15 Resource Plan and Clean Energy Plan ("2021 ERP & CEP") involving accelerated
16 retirement and fuel conversion of certain coal plants on the Company's system.
17 The Company has experience with developing and implementing successful, low-
18 impact workforce transition plans for previous plant retirements and fuel
19 conversion actions in Colorado—for which we did not implement an official layoff
20 or forced workforce reduction. We remain committed to a similar outcome for our
21 valued employees as a result of Public Service's proposed coal actions set forth in
22 the Company's 2021 ERP & CEP. Company witness Ms. Alice K. Jackson
23 discusses these proposals in more detail in her Direct Testimony.

1 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

2 A. In Section II of my Direct Testimony, I provide a summary of the workforce
3 transition plan requirements established by Senate Bill 19-236 (“SB 19-236”). In
4 Section III, I provide an overview of the Company’s approach to workforce
5 transition and its long-standing commitment to our employees and communities
6 we serve. Next, I describe how the Company developed the assumptions and
7 inputs regarding workforce transition plans and associated costs that were
8 incorporated into the Phase I modeling of the 2021 ERP & CEP. In Sections IV
9 and V, I describe the Company’s workforce transition plan for coal plants being
10 proposed for early retirement or fuel conversion in this proceeding, including the
11 Company’s preferred coal action plan involving the early retirement of Comanche
12 3 and conversion of Pawnee from coal to natural gas, and the Company’s
13 previously announced coal actions involving the early retirement of Hayden 1 and
14 2 and Craig 2.

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

17 A. Yes, I am sponsoring Attachment HLS-1 which is the Company’s Workforce
18 Transition Plan Report. The report is also provided as part of Volume I of the 2021
19 ERP & CEP, which is provided as Attachment AKJ-1 to Ms. Jackson’s Direct
20 Testimony.

1 **II. SUMMARY OF WORKFORCE TRANSITION PLAN REQUIREMENTS**

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

3 A. In this section of my Direct Testimony, I provide a summary of the workforce
4 transition plan requirements established by SB 19-236 that provide the framework
5 for the Company's workforce transition plan.

6 **Q. PLEASE SUMMARIZE THE REQUIREMENTS OF SB 19-236 REGARDING**
7 **WORKFORCE TRANSITION AS IT PERTAINS TO THE COMPANY'S CLEAN**
8 **ENERGY PLAN.**

9 A. SB 19-236 requires, in part, that if the Company's Clean Energy Plan ("CEP")
10 includes accelerated retirement of any existing generating facilities, the CEP must
11 include a workforce transition plan. Accordingly, when submitting a filing to the
12 Colorado Public Utilities Commission ("Commission") that includes early
13 retirement of a proposed generating facility, we must include in the filing a
14 workforce transition plan for utility workers impacted by any CEP. SB 19-236 also
15 addresses community assistance plans in conjunction with the Clean Energy Plan.
16 I will discuss the workforce transition plan in my Direct Testimony and Company
17 witness Ms. Hollie J. Velasquez Horvath discusses the community assistance plan
18 in her Direct Testimony.

19 **Q. DOES SB 19-236 DETAIL THE INFORMATION THAT MUST BE INCLUDED IN**
20 **A WORKFORCE TRANSITION PLAN?**

21 A. Yes. SB 19-236, codified at § 40-2-125.5, C.R.S., sets forth the information that
22 must, to the extent feasible, be included in a workforce transition plan, including:

- 1 (1) Estimates of the number of workers employed by the utility or a contractor
2 of the utility at the electric generating facility;
- 3 (2) Estimates of the total number of existing workers with jobs that will be
4 retained and the total number of existing workers with jobs that will be
5 eliminated due to the retirement of the facility; and
- 6 (3) Additional information with respect to jobs that will be eliminated due to the
7 retirement of the facility such as the total number and number by job
8 classification of workers for whom employment will end, workers that will
9 retire or leave voluntarily, workers that will be retrained by being transferred
10 or offered other employment by the utility, and workers that will be retrained
11 to work in a new job classification.

12 **Q. DOES THE COMPANY'S CEP INCLUDE A WORKFORCE TRANSITION PLAN**
13 **CONSISTENT WITH THE REQUIREMENTS OF SB 19-236?**

14 A. Yes. The Company's Workforce Transition Plan Report 2021 is provided as
15 Attachment HLS-1 to my Direct Testimony and is also provided as part of Volume
16 1 of the Company's 2021 ERP & CEP. I will describe the Workforce Transition
17 Plan later in my Direct Testimony.

18 **Q. DID THE COLORADO GENERAL ASSEMBLY PASS ANY OTHER**
19 **LEGISLATION IN 2019 REGARDING WORKFORCE TRANSITION**
20 **ASSOCIATED WITH THE ACCELERATED RETIREMENT OF A GENERATING**
21 **UNIT?**

22 A. Yes. In 2019, the General Assembly also passed House Bill 19-1314 ("HB 19-
23 1314"), which established the Just Transition process in Colorado. Through the
24 provisions included in HB 19-1314, the Colorado General Assembly made a "moral
25 commitment to assist the workers and communities that have powered Colorado
26 for generations" by supporting "a just and inclusive transition" away from coal. HB

1 19-1314 created the Office of Just Transition (“OJT”) and charged it with preparing
2 a “final just transition plan for Colorado” by the end of 2020.

3 **Q. HOW DOES HB 19-1314 INTERACT WITH THE REQUIREMENTS YOU**
4 **DESCRIBED ABOVE SET FORTH BY SB 19-236 WITH REGARD TO THE**
5 **COMPANY’S CEP AND PROPOSED ACCELERATED RETIREMENT OF**
6 **ELECTRIC GENERATING FACILITIES?**

7 A. I am not a lawyer, but my understanding is HB 19-1314 includes similar provisions
8 and workforce transition plan information requirements as SB 19-236 for providing
9 utility workforce transition plans associated with the accelerated retirement of a
10 generating unit. However, the provisions of HB 19-1314 do not apply to an electric
11 coal-fueled generating unit owned in whole or in part by a utility for which the utility
12 has submitted a workforce transition plan as part of its Electric Resource Plan
13 (“ERP”), as is the case in this proceeding.

14 **Q. HAS THE COMPANY HAD AN ACTIVE ROLE IN THE EFFORTS OF THE OJT?**

15 A. Yes. I represent the Company as an appointed member of the Just Transition from
16 Coal Advisory Committee that resides within the OJT. Additionally, I was a
17 member of the Finance subcommittee and Worker subcommittee; working
18 collaboratively across the committee and in support of recommendations
19 submitted to Governor Polis on December 31, 2020.¹ The Company has and will
20 continue to work with the OJT as it continues to develop and implement its

¹ See Colorado Just Transition Action Plan, *available at* [Colorado Just Transition Action Plan.pdf](#).

1 workforce transition plans to align with the spirit and intent of the recommendations
2 set forth in the Colorado Just Transition Plan.

3 **Q. DOES THE COMPANY PROPOSE TO KEEP THE OJT INFORMED OF ITS**
4 **WORKFORCE TRANSITION PLANS ASSOCIATED WITH THE COAL**
5 **ACTIONS THAT ARE PART OF PUBLIC SERVICE'S 2021 ERP & CEP?**

6 A. Yes, and through multiple venues. As I discuss later in my Direct Testimony,
7 because the proposed actions at our coal plants (i.e., accelerated retirements and
8 fuel conversion) will not be implemented until several years in the future, the
9 Company will continue to update the details of its Workforce Transition Plan in
10 future ERP proceedings. The Company also plans to submit future and ongoing
11 updates to its Workforce Transition Plan Report to the OJT to keep the OJT
12 informed of the details and timing of the Company's plans to support and transition
13 our workforce in the coming years.

1 **III. OVERVIEW OF THE COMPANY’S APPROACH TO WORKFORCE**
2 **TRANSITION PLANNING**

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

4 A. In this section of my Direct Testimony, I describe the Company’s approach to
5 workforce transition planning and discuss the Company’s experience with
6 successful workforce transitions resulting from prior plant retirements or fuel
7 switching across our operating companies.

8 **Q. PLEASE SUMMARIZE THE COMPANY’S EXPERIENCE WITH WORKFORCE**
9 **TRANSITIONS AS A RESULT OF PLANT RETIREMENTS OR FUEL**
10 **SWITCHING.**

11 A. For decades, Xcel Energy has been an employer of choice amongst Coloradans
12 – particularly for skilled workers – as we provide a safe and respectful working
13 environment and a prevailing wage and benefits package that is multiples above
14 of the state or federal minimums and for full time employees, income above the
15 US median household income. And over that time, we have exhibited long-
16 standing support for our employees and the communities we serve, and we
17 recognize the impact plant retirements and conversions have on our employees
18 and the communities where they are located. We have already retired 11 coal-
19 fired units across our operating companies and managed those workforce
20 transitions primarily with staff retirements or normal attrition, reassignment of
21 employees to other facilities, and training and education opportunities. Based on
22 our experience with closing or converting plants over roughly the past 15 years,
23 the Company has been successful in transitioning the workforce at these plants

1 without any forced layoffs. Building on our track record of working with our
2 employees and communities to successfully manage the clean energy transition is
3 a key priority and one we take very seriously. We have a highly skilled workforce
4 and it is our desire to retain these skilled workers, to leverage their expertise across
5 the organization, and to help the Company meet our clean energy future.

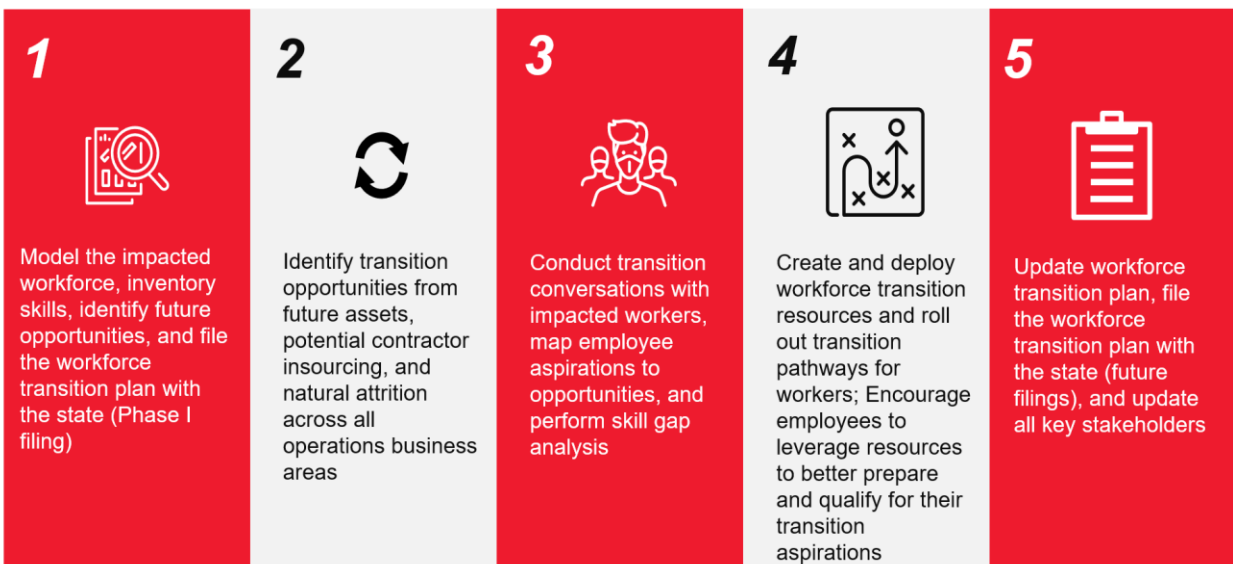
6 **Q. WHAT WAS THE OUTCOME OF THESE WORKFORCE TRANSITION**
7 **EXPERIENCES WITH REGARD TO PERSONNEL IMPACTS?**

8 A. To date, the Company has not needed to implement layoffs or forced workforce
9 reduction to achieve the workforce transition at any of the six plants that have been
10 affected. We have been able to coordinate employee vacancy replacements at
11 our other generating facilities or other operations areas across the organization to
12 absorb employees affected by these plant closures or conversions. This type of
13 transition plan has several benefits to the Company. Replacing exiting generation
14 staff at other locations by fully trained employees utilizes our training investments
15 in these skilled resources, which achieves efficiencies that are beneficial to the
16 Company and our customers. In order to ensure that the skilled employees did
17 not simply leave Public Service, the Company has historically offered a relocation
18 option for the affected employees to maximize the benefit of retaining these trained
19 and skilled employees. Our represented employees value job retention and
20 transition offered by Xcel Energy, which enables our workers to maintain their
21 seniority, rather than risk losing their status if they were to go to another
22 organization.

1 **Q. PLEASE DESCRIBE THE COMPANY'S APPROACH TO WORKFORCE**
2 **TRANSITION PLANNING.**

3 A. Our approach to workforce transition planning includes five key phases as depicted
4 in Figure HLS-D-1 below. As described in Figure HLS-D-1, for purposes of the
5 Company's Phase I 2021 ERP & CEP filing, the Company has modeled the
6 impacted workforce at each of the plants proposed for accelerated retirement or
7 fuel conversion, completed the first step in inventorying skills, and is identifying
8 future opportunities that will arise due to natural attrition and retirements across
9 the Company as further detailed in the Workforce Transition Plan Report provided
10 as Attachment HLS-1.

11 **Figure HLS-D-1: Work Force Transition Plan**



12 While details of transition plans for impacted employees associated with our CEP
13 are still under development as I will discuss later in my Direct Testimony, Public

1 Service continues to engage in significant and deliberate planning regarding
2 transitioning our workforce.

3 **Q. HOW DOES THE COMPANY DEVELOP THE ESTIMATED COSTS**
4 **ASSOCIATED WITH WORKFORCE TRANSITION PLANNING?**

5 A. First, the Company determines the number of employees at each plant to
6 transition. The Company uses a target headcount and attrition forecast in the
7 workforce planning models to estimate the number of impacted employees at each
8 plant. The Company's Energy Supply team captures the target headcount in
9 resource planning models and the Workforce Analytics team provides the
10 retirement and non-retirement attrition protection data. In addition, the Company
11 uses an actuarial-based attrition simulator to forecast employee turnover, both
12 retirement and non-retirement. The number of employees to transition is then
13 multiplied by an estimated cost for each transition support type.

14 **Q. PLEASE DESCRIBE THE WORKFORCE COST MODELING ASSUMPTIONS.**

15 A. As I explain in more detail in the Workforce Transition Plan Report attached to my
16 Direct Testimony, assumptions used in our cost modeling, include, but are not
17 limited to, costs associated with internal technical training, enterprise-wide learning
18 courses, external industry training (e.g., certifications, micro credentials, courses),
19 on-the-job training, tuition reimbursement, relocation, and severance. Based on
20 similar transitions of other coal plants across our service territory (e.g., Clean Air
21 Clean Jobs), we were able to determine primary transition resources needed to
22 transition a workforce and apply high-level estimates to cost projections associated
23 with the anticipated closure or conversion of our remaining coal units in Colorado.

1 All detailed calculations, costs, and transition support are outlined in the
2 Workforce Transition Plan Report. Workforce transition cost estimates were
3 provided as inputs into the resource plan modeling, as described in the Direct
4 Testimony of Company witness Mr. Jon T. Landrum. The cost estimate for on-the-
5 job training has yet to be determined and will be estimated as we near the
6 retirement of each unit and after gathering each specific job that may require on-
7 the-job training, the training resources, and average training costs.

8 **Q. WILL THE ESTIMATED COSTS ASSOCIATED WITH THE WORKFORCE**
9 **TRANSITION PLAN BE UPDATED THROUGHOUT THE TRANSITION**
10 **PLANNING PROCESS?**

11 A. Yes. As I discuss later in my Direct Testimony, all costs and counts of employees
12 are estimates and will be updated as retirement dates near, all employee transition
13 opportunities are identified, and employee preferences are gathered during
14 transition conversations that will be held with all plant employees who are
15 interested and willing to participate.

16 **Q. DOES THE COMPANY HAVE A PARTICULAR APPROACH TO WORKFORCE**
17 **TRANSITION AS IT RELATES TO UNION EMPLOYEES?**

18 A. Yes. We work closely with International Brotherhood of Electrical Workers
19 (“IBEW”), Local 111 on workforce transition planning. Specific workforce transition
20 actions regarding union employees will be managed in accordance with the
21 Company’s collective bargaining agreement.

1 **Q. PLEASE DESCRIBE THE COLLECTIVE BARGAINING AGREEMENT AS IT**
2 **PERTAINS TO WORKFORCE TRANSITION.**

3 A. Within the collective bargaining agreement, employees have specific rights in the
4 event of reduction in force. The Company and the union have contractually defined
5 minimum staffing levels for various parts of the Company, including Energy
6 Supply. If employees are laid off as a result of a reduction in force, they have
7 several options under the provisions of the collective bargaining agreement,
8 including the option to: (1) retain former seniority, (2) transfer, or (3) be paid a
9 severance.

10 In the event of a reduction in force, employees will have the option to retain
11 former seniority and have the opportunity to be re-employed under the provisions
12 of Article 15, Section 11 (Reductions in Forces and Layoffs), or be paid a
13 severance in accordance with Article 11, Section 10 (Severance Plan). With
14 respect to Article 15, Section 11, an employee affected by the reduction shall be
15 entitled to any job of equal or less pay within their department for which they are
16 qualified, or if the employee desires to retain former seniorities, the Company
17 agrees in the event suitable work becomes available within two years after the
18 layoff, to notify employees of such opportunities.

19 Employees also have the option to submit an Application for Transfer to any
20 bargaining unit position within the collective bargaining agreement while they are
21 an active employee.

22 As discussed earlier in my Direct Testimony, based on our past experience
23 of similarly transitioning our workforce at several other coal plants, our intent is to

1 do so without the need to implement an official layoff or forced workforce reduction
2 and we will coordinate the staffing needs of the plants so that there is minimal
3 impact to the affected employees.

4 **Q. DOES THE COMPANY COLLABORATE WITH OTHER STAKEHOLDERS AS**
5 **PART OF ITS WORKFORCE TRANSITION PLANNING EFFORTS?**

6 A. Yes. The Company works closely with both internal and external stakeholders and
7 partners to model, plan, design, and facilitate workforce transition. Key internal
8 partners and stakeholders include, for example, our internal Human Resources
9 and Employee Services Departments, and the Company's operations business
10 areas (e.g., Energy Supply, Distribution, Transmission, Gas, State Government
11 Affairs, and Community Relations). Some of our key external partners and
12 stakeholders, include for example, IBEW, as I noted above, the Center for Energy
13 Workforce Development, Energy Providers Coalition for Education, Council for
14 Adult and Experiential Learning, local education partners, community colleges,
15 and universities, and local workforce centers across the state.

1 **IV. PREFERRED COAL ACTION PLAN: WORKFORCE TRANSITION**

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

3 A. The purpose of this section of my Direct Testimony is to describe the Company's
4 plan to transition its workforce as a result of its preferred coal action plan, including
5 the accelerated retirement of Comanche 3 and the fuel conversion of Pawnee.
6 Specifically, I will describe the current workforce at each of the generating facilities
7 and present a high-level overview of the costs associated with the workforce
8 transition plan for each facility.

9 **A. Comanche 3 – Accelerated Retirement**

10 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S PLAN TO**
11 **ACCELERATE THE RETIREMENT OF COMANCHE UNIT 3.**

12 A. As described in further detail in the testimonies of Company witnesses Ms. Alice
13 K. Jackson and Mr. James F. Hill, the Company's preferred coal action plan
14 involves reducing the operating hours of Comanche 3 beginning in 2030 and
15 accelerating the unit's retirement to 2040 from its current retirement date of 2070.
16 The Company's proposal also involves securitizing the costs associated with the
17 early retirement of Comanche 3. I would note the SB 19-236 securitization
18 provisions allow for worker and community transition costs to be included in the
19 bond issuance amount; however, as explained by Company witness Mr. Scott A.
20 Watson, the Company has not yet modeled what those costs might look like.

1 **Q. BASED ON A COMANCHE 3 RETIREMENT DATE OF 2040, WHEN WOULD**
2 **WORKFORCE TRANSITION ACTIVITIES BEGIN TO OCCUR AT COMANCHE**
3 **3?**

4 A. The Company will begin workforce transition Phases 2-5 with all Comanche
5 employees in the Spring of 2021. Many employees will have transitioned,
6 transferred, progressed within their career, or left the organization by 2040. Given
7 the retirement is approximately 19 years from now, the Company would expect to
8 reperform some portion of the workforce transition Phases approximately two
9 years prior to plant closure.

10 **Q. IS IT POSSIBLE FOR THE COMPANY TO ACCURATELY PROJECT THE**
11 **COMANCHE 3 WORKFORCE IMPACT AND TRANSITION REQUIREMENTS 19**
12 **YEARS IN ADVANCE?**

13 A. No. The Company cannot accurately project employee numbers and individual
14 employee plans this far in advance. Nonetheless, the Company has presented
15 current information on workforce estimates in its workforce transition plan, to the
16 extent feasible, consistent with the requirements of SB 19-236. Additionally, as I
17 discuss below, we have prepared a detailed cost analysis for modeling purposes
18 based on our current workforce estimates and information.

19 **Q. DOES THE COMPANY PLAN TO UPDATE ITS WORKFORCE TRANSITION**
20 **PLAN FOR COMANCHE 3 AS THE 2040 RETIREMENT DATE GETS CLOSER?**

21 A. Yes. Given that there will be several ERP cycles (which generally occur every 4
22 years) between now and the proposed 2040 retirement date for Comanche 3, the

1 Company proposes to provide workforce transition plan and associated modeling
2 cost updates in future ERP cycles as the retirement date approaches.

3 **Q. PLEASE DESCRIBE THE CURRENT WORKFORCE AT THE COMANCHE 3**
4 **FACILITY.**

5 A. As of December 31, 2020, the workforce at the three units at the Comanche Station
6 facility includes approximately 137 employees across several business units.
7 Employees are shared across the three units and generally not assigned to one
8 specific unit. These employees include both union and non-union positions. In
9 addition, the Company utilizes contract labor on an as-needed basis to perform
10 major overhauls of the units. Contract labor resources are managed and
11 accounted for by the vendors who employ these workers and are therefore not
12 reflected in the workforce estimates.

13 **Q. HAVE YOU IDENTIFIED THE COST ESTIMATES OF THE COMPANY'S**
14 **WORKFORCE TRANSITION PLAN AT THE COMANCHE 3 FACILITY?**

15 A. Yes. The detailed cost estimates for the Company's workforce transition plan and
16 the impact of this plan on the Comanche 3 workforce are included in the
17 Company's Workforce Transition Plan Report and summarized in Table HLS-D-1
18 below.

1
2

Table HLS-D-1: Comanche 3 Workforce Transition Cost Estimates

Plant	Comanche Unit 3
Internal Tech Training	\$1,500,000
ELO Training	\$255,000
Ext Industry Training	\$53,400
On-the-Job Training	TBD
Tuition Reimbursement	\$94,500
Relocation	\$200,000
Severance	\$360,000
Subtotal	\$2,462,900

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11

Transition costs for Comanche 3 are estimated based on the number of workers to transition. There are 137 employees at Comanche Station. We project approximately 89 employees will retire or otherwise leave the Company through natural attrition between December 31, 2020 and the end of 2030. We project retirement and non-retirement attrition only 10 years into the future; beyond 10 years projections are not as predictive. We will continue to update our attrition projections in future filings. The Company estimates needing approximately 77 employees to operate Comanche 3. We will plan to back-fill attrition up to the estimated target headcount of 77 employees, which would result in 77 employees

1 impacted by the early retirement of Comanche 3. Based on similar transitions of
2 other coal plants (i.e. Clean Air-Clean Jobs Act) we were able to determine and
3 apply high-level cost estimates to the number of workers to transition to estimate
4 a cost of transition at \$2.5 million. As I discussed earlier in my Direct Testimony,
5 the Company will continue to update all cost estimates and add on-the-job training
6 cost estimates based on updated workforce data in future ERP proceedings
7 leading up to the proposed 2040 retirement date for Comanche 3.

8 **B. Pawnee – Fuel Conversion**

9 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S PREFERRED COAL**
10 **ACTION PLAN AS IT RELATES TO PAWNEE.**

11 A. As described in further detail in the testimonies of Company witnesses Ms.
12 Jackson and Mr. Hill, the Company's preferred coal action plan involves converting
13 the Pawnee plant from coal to natural gas in 2028.

14 **Q. DID THE COMPANY PREPARE A WORKFORCE TRANSITION PLAN FOR THE**
15 **PAWNEE FUEL CONVERSION?**

16 A. Yes. While the proposed coal action at Pawnee involves a fuel conversion rather
17 than an accelerated retirement as contemplated under SB 19-236, the fuel
18 conversion will result in a change of workforce at the plant. Therefore, while not
19 directly required by SB 19-236, the Company applies its same workforce transition
20 principles and priorities to our employees at Pawnee.

1 **Q. PLEASE DESCRIBE THE CURRENT WORKFORCE AT THE PAWNEE**
2 **FACILITY.**

3 A. As of December 31, 2020, the workforce at the Pawnee facility includes
4 approximately 66 employees across several business units. These employees
5 include both union and non-union positions. In addition, the Company utilizes
6 contract labor on an as-needed basis to perform major overhauls of the unit.
7 Contract labor resources are managed and accounted for by the vendors who
8 employ these workers.

9 **Q. WHEN WOULD WORKFORCE TRANSITION ACTIVITIES BEGIN TO OCCUR**
10 **AT THE PAWNEE FACILITY?**

11 A. The workforce transition planning activities for Pawnee employees will occur
12 approximately two years prior to the completion of conversion. Pawnee facility
13 transition processes and worker supports are outlined in the workforce transition
14 plan.

15 **Q. HAVE YOU IDENTIFIED THE COST ESTIMATES OF THE COMPANY'S**
16 **WORKFORCE TRANSITION PLAN AT THE PAWNEE FACILITY?**

17 A. Yes. The detailed cost estimates for the Company's workforce transition plan and
18 the impact of this plan on the Pawnee workforce are included in the Company's
19 Workforce Transition Plan Report.

20 Transition costs for the Pawnee facility are estimated at \$0 because cost
21 estimates are based on the number of workers to transition. There are 66 workers
22 at Pawnee as of December 31, 2020. The Company estimates needing
23 approximately 36 employees to operate Pawnee as a gas-fired plant once

1 converted at the end of 2028. We project more than 30 employees will retire or
2 leave the Company through natural attrition between December 31, 2020 and the
3 end of 2028. However, we do anticipate providing training to employees to re-skill
4 to operate a gas plant versus a coal plant, on-the-job training may be a primary
5 solution for re-skilling workers at Pawnee. A cost estimate for training has yet to
6 be determined and will be calculated once we identify each specific job that will
7 require training, training resources, and average training cost. The Company will
8 continue to update these cost estimates based on updated workforce data in future
9 ERP proceedings leading up to the 2028 conversion date.

1 **V. OTHER ANNOUNCED COAL ACTIONS: WORKFORCE TRANSITION**

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

3 A. The purpose of this section of my Direct Testimony is to describe the Company's
4 plan to transition its workforce as a result of its other announced coal actions,
5 including the early retirement of Hayden 1 and 2, and Craig 2.

6 **A. Hayden 1 and 2 – Accelerated Retirement**

7 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S COAL ACTION AT**
8 **HAYDEN GENERATING STATION.**

9 A. As discussed by Ms. Jackson, in January 2021, Public Service announced, in
10 partnership with its co-owners, PacifiCorp and Salt River Project, its plans to close
11 the Hayden Generating Station. The Company and its partners agreed on a
12 proposed plan to retire Hayden 2 by the end of 2027 and Hayden 1 in 2028.²
13 Hayden 1 and 2 original retirement dates were 2030 and 2036, respectively.

14 **Q. PLEASE DESCRIBE THE CURRENT WORKFORCE AT THE HAYDEN**
15 **GENERATING STATION.**

16 A. As of December 31, 2020, the workforce at the Hayden facility includes
17 approximately 68 employees across several business units. These employees
18 include both union and non-union positions. In addition, the Company utilizes
19 contract labor on an as-needed basis to perform major overhauls of the units.

² Xcel Energy is the majority owner and operator of the Hayden Generating Station, owning about 75% of 179-megawatt Unit 1 and 37.5% of 262-megawatt Unit 2. Salt River Project owns 50% of Unit 2 and Pacific Corp owns the balance of Unit 1 and Unit 2.

1 Contract labor resources are managed and accounted for by the vendors who
2 employ these workers and are therefore not reflected in the workforce estimates.

3 **Q. HAVE YOU IDENTIFIED THE COST ESTIMATES OF THE COMPANY'S**
4 **WORKFORCE TRANSITION PLAN AT THE HAYDEN FACILITY?**

5 A. Yes. The detailed cost estimates for the Company's workforce transition plan and
6 the impact of this plan on the Hayden workforce are included in the Company's
7 Workforce Transition Plan Report and as summarized in Table HLS-D-2 below.

8 **Table HLS-D-2: Comanche 3 Workforce Transition Cost Estimates**

Plant	Hayden
Internal Tech Training	\$1,425,000
ELO Training	\$196,000
Ext Industry Training	\$44,500
On-the-Job Training	TBD
Tuition Reimbursement	\$78,750
Relocation	\$130,000
Severance	\$270,000
Subtotal	\$2,144,250

9 As I discussed earlier in my Direct Testimony, the Company will continue to
10 update these cost estimates and add on-the-job training cost estimates based on

1 updated workforce data in future ERP proceedings leading up to the 2028
2 retirement date.

3 **Q. IS THE COMPANY EXPLORING OTHER USES OF THE HAYDEN SITE?**

4 A. Yes. As discussed in detail in the Direct Testimony of Ms. Jackson and Ms.
5 Velasquez Horvath, Public Service is working closely with the affected
6 communities, stakeholders, and employees to explore new uses of the Hayden
7 site that will promote clean energy innovation and economic opportunity in the
8 Northwest Colorado region. Based on the outcome of these efforts, the Company
9 will update its workforce transition plan to the extent replacement generation or
10 other economic development opportunities result in employment opportunities.

11 **A. Craig 2 – Accelerated Retirement**

12 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S COAL ACTION AT**
13 **CRAIG UNIT 2.**

14 A. As discussed by Ms. Jackson, in July 2020, the five utilities that share ownership
15 in Craig Unit 2 announced a unanimous decision to retire the 410-megawatt
16 generating unit on September 20, 2028.

17 **Q. DOES PUBLIC SERVICE OPERATE THE UNIT?**

18 A. No. Public Service is a minority owner of Craig 2 (approximately 10 percent) and
19 does not operate the unit.

20 **Q. DID PUBLIC SERVICE DEVELOP A WORKFORCE TRANSITION PLAN FOR**
21 **CRAIG 2?**

22 A. No. Given the Company's minority ownership in the unit and the fact that the
23 announced early retirement does not impact the Company's workforce, the

1 Company did not develop a workforce transition plan specific to Craig 2. However,
2 we are engaged with the Northwest Colorado Workforce Development Council,
3 which includes participants from Tri-State Generation and Transmission
4 Association, Inc.—the operator of Craig 2—along with several others. We have
5 shared with council participants our workforce transition process, skills modeling,
6 and provided an overview of our data modeling methodology. The purpose of this
7 council is, in part, to share insights and best practices among members for the
8 benefit of all members, and in turn, to support the community and workforce. We
9 will continue to engage in this council going forward.

- 1 **VI. CONCLUSION**
- 2 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**
- 3 A. Consistent with the discussion in my Direct Testimony, I support the
- 4 recommendation of Ms. Jackson that the Commission approve Public Service's
- 5 Phase I 2021 ERP & CEP.
- 6 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**
- 7 A. Yes, it does.

Statement of Qualifications

Holly L. Stanton

Holly Stanton is the Manager, Strategic Workforce Planning within Xcel Energy, Inc.'s Human Resources and Employee Services business unit. Her department is responsible for supporting business areas across the company in using data-driven insights to perform workforce planning, run scenario analysis, identify risks and opportunities, and utilize these outcomes to consult leadership teams in the creation of strategies and solutions that support the direction of the company. She stood up the SWP department over eight years ago, creating foundational and repeatable processes, tools, solutioning and consulting methodologies. Additionally, Ms. Stanton is an appointed member of the State of Colorado Just Transition from Coal Advisory Committee housed within the Office of Just Transition.

Ms. Stanton has 25 years of experience in the energy industry, 21 years with Xcel Energy, Inc., and over 18 years in leadership positions. She has a broad range of skills and experience across multiple disciplines. Her experience includes leading and driving corporate strategies and change resiliency through strategic workforce planning and process innovation. In addition to managing SWP, she previously managed the Talent Acquisition department, establishing talent pipelines to enable the success of business area SWP's. Ms. Stanton has expertise in data warehousing, United States Generally Accepted Accounting Principles, accounting pronouncement interpretation and implementation, revenue and cost of goods sold accounting, and commercial operations accounting.

Ms. Stanton holds a Bachelor of Science degree in Finance from Regis University and certifications in HCI Strategic Workforce Planning, Prosci Change Management, and she is a LEAN Practitioner.