

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

**PROCEEDING NO. 20A - \_\_\_\_E**

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**IN THE MATTER OF THE VERIFIED APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR APPROVAL OF ITS TRANSPORTATION ELECTRIFICATION PLAN, READY EV, FOR PROGRAM YEARS 2021 – 2023 AND FOR RELATED TARIFF APPROVALS.**

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**VERIFIED APPLICATION**

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Pursuant to C.R.S. § 40-5-107 and Commission Rule 3002(b), Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy (“Black Hills” or the “Company”), hereby applies to the Commission for approval of the Company’s first comprehensive Transportation Electrification Plan (“TEP”), referred to as “Ready EV” or the “Ready EV Plan.” Ready EV is designed to support the widespread adoption of Electric Vehicles (“EVs”) in the Company’s service territory. Black Hills respectfully requests that the Commission issue an order granting this Application and approving the following:

- The Company’s 2021-2023 TEP, known as Ready EV, including not limited to the following:
  - Ready EV programs, such as new charging rebates for Electric Vehicle Supply Equipment (“EVSE”), a modified distribution line extension tariff, and a Customer Communication and Education Strategy;
  - A three-year budget for Ready EV, subject to a 150 percent budget flexibility cap;
  - A notice of program change process;
  - A stakeholder engagement process; and
  - Ready EV reporting requirements.

- New time-of-day rate schedules available for EV charging for customers of the residential class, the small general service class, and the large general service – secondary class, as set forth in Attachment PGG-3 to the Direct Testimony of Mr. P Grant Gervais.
- A requested Performance Incentive Mechanism based on the social cost of carbon, incentivizing the Company to reduce greenhouse gas emissions by encouraging EV adoption.
- Regulatory accounting approval to track certain Ready EV costs for potential future recovery through the Demand Side Management Cost Adjustment (“DSMCA”).
- Revisions to the DSMCA Tariff sheets as set forth in Attachments PGG-3 (redlined) and PGG-4 (clean) to the Direct Testimony of Mr. P. Grant Gervais.
- A revision to the Distribution Line Extension Policy Tariff sheets as set forth in in Attachments PGG-3 (redlined) and PGG-4 (clean) to the Direct Testimony of Mr. P. Grant Gervais.

The Company requests that the Commission’s order issued in this proceeding direct the Company to file, on not less than two business days’ notice after issuance of a final order, the revised tariff sheets in substantially identical form to the *pro forma* tariff sheets contained in Attachments PGG-3 and PGG-4 to Mr. P. Grant Gervais’ Direct Testimony.

Black Hills is submitting with this Application the following Direct Testimonies:

- Mr. Michael J. Harrington, Senior Manager-Regulatory & Finance, who presents (i) the policy support for the Ready EV Plan and related requested approvals; (ii) the Company’s request for Commission approval of the Ready EV Plan; (iii) the stakeholder engagement program of Ready EV; (iv) reasonableness of the Plan

- budget; (v) Ready EV Plan metrics; (vi) the Performance Incentive Mechanism; and (vii) how Ready EV complies with Senate Bill 19-077.
- Mr. T. Aaron Carr, Director of Energy Innovation, who supports the Company's Ready EV Plan (Attachment TAC-1 to his Direct Testimony). Mr. Carr also provides testimony regarding the context and underlying business decisions that support the Ready EV Plan and composition. Mr. Carr addresses the following programs of Ready EV: (i) the EVSE development approach; (ii) fleet electrification; (iii) the EV dealership engagement program; and (iv) the EV employee engagement program.
  - Mr. Michael R. Grubert, Senior Regulatory Analyst, who presents studies and analysis to support new time-of-day rate schedules available for EV charging for customers of the residential class, the small general service class, and the large general service – secondary class.
  - Ms. Theresa I. Donnelly, Senior Communication Program Manager, who presents the Customer Communication and Education Strategy for the Ready EV Plan.
  - Mr. P. Grant Gervais, Regulatory Analyst II, who presents the following elements of the Ready EV Plan: (i) EVSE rebates; (ii) low-income customer programs; (iii) changes to the Company's distribution line extension tariff; (iv) components of the Plan budget; and (v) the safety and reliability impact. Mr. Gervais also discusses how the Company will recover the costs of the Ready EV Plan, and he discusses the annual reporting the Company will undertake on Ready EV programs.

Together, this Application, the Ready EV Plan, and the supporting Direct Testimonies, contain all elements required for the Commission's approval of the Ready EV Plan pursuant to

C.R.S. § 40-5-107, as well as the elements required for the Commission's approval of the Company's proposed tariff changes.

## I. BACKGROUND

1. Senate Bill 19-077, *Concerning Measures That Affect the Development of Infrastructure Used By Electric Motor Vehicles, and, in Connection Therewith, Establishing a Process at the Colorado Public Utilities Commission Whereby a Public Utility May Undertake Implementation of an Electric Motor Vehicle Infrastructure Program Within the Area Covered by the Utility's Certificate of Public Convenience and Necessity*, was passed by the Colorado General Assembly and signed into law in 2019, and codified in relevant part at C.R.S. §§ 40-1-103.3, 40-3-116, and 40-5-107.

2. Section 40-5-107(1)(a), C.R.S., directs the following requirement for public utilities in Colorado:

No later than May 15, 2020, and on or before May 15 every three years thereafter, an electric public utility shall file with the Commission an application for a program for regulated activities to support widespread transportation electrification within the area covered by the utility's certificate of public convenience and necessity.

3. Section 40-3-116, C.R.S. also directs the following:

By May 15, 2020, an electric public utility shall submit to the Commission a proposal for a specific rate or rates for electricity supplied to commercial and industrial facilities used to charge electric vehicles that encourage vehicle charging and that support the operation of the electric grid.

4. Section 40-5-107(2), C.R.S. provides the following Commission requirements:

When considering transportation electrification programs and determining cost recovery for investments and other expenditures related to programs proposed by an electric public utility under subsection (1) of this section, the commission shall consider whether the investments and other expenditures are:

(a) Reasonably expected to improve the use of the electric grid, including improved integration of renewable energy;

(b) Reasonably expected to increase access to the use of electricity as a transportation fuel;

(c) Designed to ensure system safety and reliability;

(d)(I) Reasonably expected to contribute to meeting air quality standards, improving air quality in communities most affected by emissions from the transportation sector, and reducing statewide emissions of greenhouse gases by forty percent below 2005 levels by 2030 and eighty percent below 2005 levels by 2050.

(e) Reasonably expected to stimulate innovation, competition, and increased consumer choices in electric vehicle charging and related infrastructure and services; attract private capital investments; and utilize high-quality jobs and skilled worker training programs as defined in section 8-83-303;

(f) Transparent, incorporating public reporting requirements to inform design and commission policy; and

(g) Reasonably expected to provide access for low-income customers, in the totality of the utility's transportation electrification programs, which may include community-based and multi-family charging infrastructure, car share programs, and electrification of public transit, while giving due consideration to the affect on low-income customers.

5. Ready EV is the Company's first TEP to support the widespread adoption of EVs and meet the requirements of Senate Bill 19-077. Ready EV has been submitted before the May 15, 2020 filing deadline contained in Senate Bill 19-077. Ready EV covers the plan years of 2021-2023. Following these plan years, Black Hills will submit subsequent TEPs on a rolling three-year basis. The Ready EV Plan complies with the requirements of Senate Bill 19-077.

## **II. READY EV PLAN**

6. The Ready EV Plan is designed to address three primary objectives. First, is to support the widespread adoption of EVs, while also ensuring the Plan results in a reasonable cost to all

customers. Second, is to establish a fundamental framework for transportation electrification that provides all necessary programs to support EVs and also provides flexible mechanisms that can be adjusted over time to reflect lessons learned, customer preferences, and technology changes. Third, is to ensure that Ready EV complies the requirements and policy objectives of Senate Bill 19-077.

7. To meet these objectives, Ready EV includes the following elements: (1) new rates for EV charging, (2) an EVSE development approach, (3) EVSE rebates, (4) fleet electrification, (5) low-income customer programs, (6) a revised distribution line extension tariff, (7) a Customer Communication and Education Strategy, (8) an EV dealership engagement program, (9) an EV employee engagement program, (10) a safety and reliability approach, (11) Plan metrics, (12) Plan budget, and (13) stakeholder engagement. All aspects of the Ready EV Plan are addressed in the Attachment TAC-1, provided with the Direct Testimony of Mr. Aaron Carr.

### **III. APPROVALS SOUGHT**

8. As set forth earlier in this Application, the Company seeks approval of (1) this Application; (2) the Ready EV Plan, including its programs; (3) the Ready EV Plan budget; (4) the Company's proposal to recover certain prudently-incurred costs associated with the Ready EV Plan through the DSMCA; (5) the proposed new time-of-day rate schedules governing EV charging for the residential class, the small general service class, and the large general service – secondary class; and (6) the tariff sheets contained in Attachments PGG-3, and PGG-4, with the Commission directing the Company to file, on not less than two business days' notice after issuance of a final order, the Tariff sheets in substantially identical form to the *pro forma* tariff sheets contained in Attachments PGG-3 and PGG-4.

9. Besides these approvals, Black Hills requests two other Commission approvals. First, Black Hills requests a regulatory accounting order so that it can track certain Ready EV costs for potential future recovery through the DSMCA. Mr. Michael J. Harrington's Direct Testimony explains this request and the costs that would be eligible for regulatory accounting and recovery. Regulatory accounting is necessary to track the costs that will eventually flow through the DSMCA. Flowing the costs through the DSMCA will ensure a transparent process to permit interested parties to review and comment on all recoverable costs.

10. Second, Black Hills requests such waivers, conditions, approvals or such other and further relief as the Commission deems appropriate. In particular, Black Hills identifies that pursuant to Commission Rule 3664(b), a net-metered customer's excess kilowatt-hours ("kWh") must "be carried forward from month to month and credited at a ratio of 1:1 against the customer's retail kWh consumption in subsequent months." Under the Company's new time-of-day EV charging rates, the Company will monetize net-metered customers' excess on-peak and off-peak kWh. Net-metered customers' monetized energy balances, using on- and off-peak rates, will be credited on their current bills. Black Hills requests the Commission grant a waiver of Rule 3664(b), to the extent it is necessary, for Black Hills to apply a monetized credit to monthly bills.<sup>1</sup> If this waiver is necessary, there is good cause to grant it due to limitations in Black Hills' billing system that prevent it from separately carrying forward from month-to-month excess on-peak and off-peak kWh.

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<sup>1</sup> In Black Hills' Residential Time-of-Day Pilot proceeding, the Company proposed the same treatment for net-metered customers. The presiding Administrative Law Judge approved the proposal, without granting any tariff waivers. See *In re The Verified Application of Black Hills Colo. Elec., Inc., Doing Business As Black Hills Energy for Approval of Its Residential Time-of-Day rate Pilot Program*, Proceeding No. 18A-0676E, Recommended Decision of Administrative Law Judge Robert I. Garvey Granting Application in Part and with Modification at 24 (Apr. 18, 2019) (approving, without any waivers, the same net-metering treatment).

**IV. INFORMATION REQUIRED BY RULES 3002(b) AND (c)**

**Subparagraph 3002(b)(I). The name and address of the applying utility.**

Black Hills Colorado Electric, LLC  
105 South Victoria Avenue  
Pueblo, CO 81003

**Subparagraph 3002(b)(II). The name(s) under which the applying utility is, or will be, providing service in Colorado.**

Black Hills Colorado Electric, LLC provides service under Black Hills Energy. Black Hills Energy is its registered trade name on file with the Colorado Secretary of State's office.

**Subparagraph 3002(b)(III). The name, address, telephone number, facsimile number, and e-mail address of the applying utility's representative to whom all inquiries concerning the application should be made.**

The undersigned, as well as:

Christopher M. Otto  
Director, Regulatory & Finance  
Black Hills Corporation  
1515 Arapahoe Street  
Tower 1 - Suite 1200  
Denver, Colorado 80202  
Telephone: (303) 566-3374  
chris.otto@blackhillscorp.com

Michael Harrington  
Manager, Regulatory & Finance  
Black Hills Corporation  
1515 Arapahoe Street  
Tower 1 - Suite 1200  
Telephone: (303) 566-3539  
Michael.Harrington@blackhillscorp.com

**Subparagraph 3002(b)(VII). In lieu of the separate statements required by subparagraphs (b)(IV) through (VI) of this rule, a utility may include a statement that it has read, and agrees to abide by, the provisions of subparagraphs (b)(IV) through (VI) of this rule.**

The Company has read, and agrees to abide by, the provisions of subparagraphs (b)(IV) through (VI) of this rule.



**Subparagraph 3002(b)(VIII). A statement describing the applying utility's existing operations and general service area in Colorado.**

The Company provides electric service to approximately 96,000 customers in several communities in Colorado. The largest communities served include Pueblo, Cañon City, and Rocky Ford. The Company's service territory encompasses parts of Crowley, Custer, El Paso, Fremont, Otero, Pueblo, and Teller counties.

**Subparagraph 3002(b)(IX). For applications listed in subparagraphs (a)(I), (II), (III), (V), and (VI) of this rule, a copy of the applying utility's or parent company's and consolidated subsidiaries' most recent audited balance sheet, income statement, statement of retained earnings, and statement of cash flows so long as they provide Colorado specific financial information.**

Not applicable.

**Subparagraph 3002(b)(X). A statement indicating the town or city, and any alternative town or city, in which the applying utility prefers any hearings be held.**

If this application is set for hearing, the Applicant prefers that the hearing be held at the Commission's offices in Denver, Colorado.

**Subparagraph 3002(b)(XI). Acknowledgment that, by signing the application, the applying utility understands that:**

- (A) The filing of the application does not by itself constitute approval of the application.**
- (B) If the application is granted, the applying utility shall not commence the requested action until the applying utility complies with applicable Commission rules and any conditions established by Commission order granting the application.**
- (C) If a hearing is held, the applying utility must present evidence at the hearing to establish its qualifications to undertake, and its right to undertake, the requested action.**
- (D) In lieu of the statements contained in subparagraphs (b)(XI)(A) through (C) of this rule, an applying utility may include a statement that it has read, and agrees to abide by, the provisions of subparagraphs (b)(XI)(A) through (C) of this rule.**

Black Hills has read, and agrees to abide by, the provisions of subparagraphs (b)(XI) (A) through (C) of this rule.

**Subparagraph 3002(b)(XII). An attestation which is made under penalty of perjury; which is signed by an officer, a partner, an owner, an employee of, an agent for, or an attorney**

**for the applying utility, as appropriate, who is authorized to act on behalf of the applying utility; and which states that the contents of the application are true, accurate, and correct. The application shall contain the title and the complete address of the affiant.**

An affidavit signed by an authorized representative of the Company verifying that the contents of the Verified Application are true, accurate, and correct to the best of his knowledge is attached hereto. The Verification contains the name, title, and the complete address of the affiant, as required by Commission rules.

**Subparagraph 3002(c). In addition to the requirements of specific rules, all applications shall include the information listed in subparagraphs (a)(I) through (V) of rule 1310. Applying utilities may either include the information in the application itself, or incorporate the information by reference to the miscellaneous docket created under rule 1310.**

The corporate information for the Company required in Rule 1310(a)(I) through (V) is on file with the Commission in Docket No. 06M-525EG and is incorporated and made a part of this Verified Application by reference. Black Hills states that the most current information was filed with the Commission on January 8, 2020 and the information on file in that docket is correct as of the date of this Application.

**V. CONCLUSION**

**WHEREFORE**, Black Hills respectfully requests that the Commission: (a) deem this Application complete; (b) enter an order approving the proposed Ready EV Plan, including the specific approvals outlined above; and (c) to the extent necessary or appropriate, grant such waivers, conditions, approvals or such other and further relief as it deems appropriate, consistent with this Verified Application.

Dated: May 8, 2020

Respectfully submitted,

/s/ Tyler E. Mansholt

Tyler E. Mansholt #51979

Associate General Counsel

Black Hills Corporation

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Denver, CO 80202

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Attorney for Black Hills Colorado Electric, LLC  
d/b/a Black Hills Energy

Applicant's address:

Black Hills Colorado Electric, LLC

105 South Victoria Avenue

Pueblo, CO 81003

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

PROCEEDING NO. 20A – \_\_\_\_E

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**IN THE MATTER OF THE VERIFIED APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR APPROVAL OF ITS TRANSPORTATION ELECTRIFICATION PLAN, READY EV, FOR PROGRAM YEARS 2021 – 2023 AND FOR RELATED TARIFF APPROVALS.**

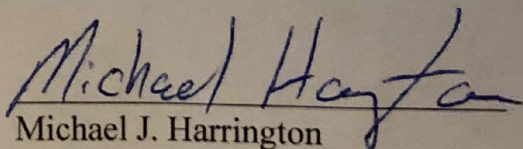
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**Verification**

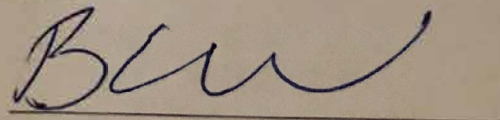
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State of Colorado                    )  
  ) SS.  
City and County of Denver        )

I, Michael J. Harrington, being duly sworn, do hereby depose and state that I am Manager -Regulatory & Finance for Black Hills; that I have read the foregoing Verified Application; that I am authorized to act on behalf of Black Hills; and that all statements made in the Verified Application are true and complete to the best of my knowledge.

  
Michael J. Harrington

On April 24, 2020, appeared Michael J. Harrington, not in my physical presence but rather appearing remotely by means of communication technology from 10306 Mica Way, Parker Colorado, 80134, known to me to be the person who executed the foregoing instrument, and acknowledged that he executed the same as his free act, and deed.

  
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Notary Public

My Commission Expires: August 24, 2020

BLAIR CHRISTINE WETZEL  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20164032458  
MY COMMISSION EXPIRES AUGUST 24, 2020