

# Memorandum

To: Commissioners Christmann, Haugen-Hoffart, and Fedorchak

From: Adam Renfandt, Public Utility Analyst

Date: June 29, 2023

Re: Northern States Power Company, Advance Prudence - 460MW Solar- Sherburne Cnty. MN, Application, Case No. PU-21-152

On July 14, 2021, PA Consulting (PA) submitted a proposal for consulting work for the Sherco advance determination of prudence (ADP) application in Case No. PU-21-152 (Application, or Sherco Application) that Northern States Power (NSP) had submitted. The Application noted that PA had not worked for NSP in the past five years and that they would not work with NSP in future matters related to the proceeding and that the core team assigned to the Application would not work on any matters for NSP or its affiliates during the engagement without prior written approval from the Commission. They were subsequently awarded the contract.

On December 17, 2021, PA submitted their direct testimony on behalf of the Commission recommending that the Commission reject the ADP.

In March of 2022, NSP requested that the proceeding be put on hold due to a U.S. Department of Commerce Investigation into the dumping of solar panels within the U.S.

On October 27, 2022, NSP filed rebuttal testimony.

In mid-January 2023, PA submitted a proposal to PSCO to assist them in evaluating options to address a natural gas capacity shortage in the utility's mountain system service area.

On March 9, 2023, PA was awarded the contract with PSCO. No contract was executed.

In March 2023, PSCO asked PA to develop a cost-benefit model prior to executing a contract. The model does not advocate any position. It is a tool that PSCO files with the Colorado Commission.

On March 22, 2023, PA provided Staff with draft rebuttal testimony.

On April 5, 2023, PA notified Commission staff of a perceived conflict of interest that arose during their work on the Application. In the notification, they stated a desire to consult for the Public Service of Colorado (PSCO), an affiliate of Xcel Energy on a project to evaluate alternatives for addressing peak gas shortages either through pipe or non-pipe alternatives. In the notification, PA asked the Commission to acknowledge that it was not

an issue for PA to pursue the PSCO project and that the project manager on the Sherco Application could provide technical support as a subject matter expert for the PSCO project.

On April 6, 2023, PA met with PSCO staff to discuss the task of creating the cost-benefit model and began work that day.

On April 14, 2023, PA submitted final rebuttal testimony including consideration of the comments received from Staff. The recommendations and conclusions from the March 22, 2023, draft were unchanged.

On approximately April 17, 2023, PA finished the cost-benefit model for PSCO.

On May 5, 2023, PA's rebuttal testimony was filed in this proceeding.

On June 13, 2023, PA executed the contract for the PSCO project.

On June 21, 2023, PA held a kick-off meeting with PSCO for their project.

Staff recommends that the Commission permit PA and more specifically Jim Heidell to continue participating in and testify in this proceeding for the following reasons:

- PA's direct testimony was filed long before PA submitted a proposal to PSCO.
- The recommendations and overall conclusions of PA's rebuttal testimony are unchanged:
  - From PA's original direct testimony, and
  - Prior to their work on the cost-benefit model for PSCO.
- To date, all discussions with PA about the testimony for the July 11, 2023, hearing have been consistent with PA's direct and rebuttal testimony, and both Staff and PA have been working on a shared set of recommendations and conclusions over the past 2 years, albeit with a break in between. These shared set of recommendations and overall conclusions have remained unchanged.
- Staff has a long history collaborating with this PA project manager on fourteen cases over the course of the last six years. Staff believes this Commission would be best served by permitting Jim Heidell to testify.