

## Statement of Need – SPS IRP STAKEHOLDER Input

June 13, 2023

Bulleted elements from working group brainstorming session.

[Statement of Need ELEMENTS June 13.docx - Google Docs](#)

### SUMMARY

- SPS/Xcel Energy has capacity need of \_\_\_MWs by \_\_\_\_\_, under:
  - Description of level 1-3 modeling process, with details regarding the following:
    - Level 1 - Base case
    - Level 2 - Scenario X, modeled by increased Planning Reserve Margin
    - Level 3 (e.g. higher load)
- Based on generic pricing, Recommended/Preferred Portfolio has potential for:
  - \_\_\_ MW new clean energy
  - \_\_\_ MW from dispatchable (resource that can be called upon at anytime that is needed)
  - \_\_\_ MW storage
  - Etc.
- Ultimate portfolio depends on bids submitted/received
- Rule/state law compliance
  - “technical characteristics of proposed new resources”
- Timeline considerations
  - 2028-2030 need identified
  - it takes time to get new large capacity resources on line. Near term resource needs are being met by 2021 action plan
  - timeline for transmission interconnection to SPP is a consideration (FERC jurisdiction), recognizing that certain resources may be interconnected more quickly than others
  - interconnection of distributed resources to the SPS system (NM PRC jurisdiction) is also a consideration
  - note that it takes less time to get smaller resources on line

### RELIABILITY

- Timeframe to come on line
- PRM requirements are expected to increase in the future
- More Infrastructure - will need investment in distribution and transmission assets to support new generation and meet resource needs. Note that hosting capacity of existing circuits could be a consideration for distributed resources.
- Location considerations -
  - generation closer to the load makes the resource more valuable.
  - Larger facilities could encounter land use conflicts or other local government permitting challenges.

- RFP results will also consider location
- Address transmission infrastructure needed to integrate more renewables
- Should be planning for increased resource adequacy requirements
- System analysis for inadequate load supply (blackout/brownout) and designation of critical infrastructure?

#### MORE GENERATION

- Make individual solar affordable (as a way to decrease load)
- No regret (new resources & pathway). ATHENA - please elaborate
- Most economical and reliable portfolio to meet SPS's capacity needs
- Lifecycle environmental cost considerations, including decommissioning cost, (SEEK CLARIFICATION from ATHENA, and Mr. Barber)
- Incorporate evolving technologies
  - batteries
  - carbon free or low emissions, dispatchable technologies
  - technologies that may have previously been considered non dispatchable
- Maximize investment opportunities (how to measure the benefits of these investments is challenging)
  - can the investment facilitate economic development in the state?
  - to meet needs over the long term
  - support a diversity of businesses that support NM's economy
- Cost effective including fuel

#### ENVIRONMENTAL

- Climate Crisis
- Carbon-free ASAP
- In recognition of climate change concerns, make steady progress toward meeting requirements of renewable energy act
  - consider modeling of accelerated RPS goal achievements (prior to 2045)

#### TRANSITION – HUMAN IMPACT

- Affected workforce support
- Reinvestment in impacted communities
- Involve individuals – both homeowners and renters (community solar?)
- Consider community reinvestment, workforce transitions, training support

#### LOAD GROWTH

- Electric supply/infrastructure growth rate to include industrial electrification projects in addition to projected business growth
- Changing load (increased electrification)
  - Environmental regulations driving combustion equipment to electric
- Evaluate probability of new load becoming a reality
  - High side/low side and the potential lag in grid buildout to meet demand

- Demand Response - increased role of DR...specifics TBD (AUSTIN - add)
- Partial Requirement Tariff (standby tariff), Case 22-00285-UT

#### OTHER RATEMAKING PROPOSALS

- Real-time day ahead pricing tariff
- Interruptible load tariff
- Future possible regulatory scenarios