

# Welcome!

## Stakeholder Engagement Workshop Meeting #4

### 2023-2043 Integrated Resource Plan, Southwestern Public Service Company

## July 6, 2023

Read-ahead materials available at:

<https://gridworks.org/initiatives/xcel-sps/> or [Xcel Energy/Southwestern Public Service Company \(SPS\) – Gridworks](#),

**Note: this meeting is being recorded. A link to the recording will be included in the meeting summary and posted on the GRIDWORKS website.**

## The Agenda for Today's Meeting

TIME	TOPIC
1:00	Welcome, Meeting Purpose and Outcomes, Announcements
1:15	Statement of Need Interim Committee (SoNIC) update and Next Steps
2:15	SPS Presentation on Draft Model Results to Date and Next Steps
3:15	Break
3:30	Questions and Answers Session
4:00	Stakeholder Requested Modeling Runs Update
4:30	Introduce Factors to Consider in Evaluating Resource Portfolios
4:45	Summary of Next Steps, Meeting Survey
5:00	Adjourn

### **Purpose:**

- Prepare stakeholders to provide input to the Action Plan in August

### **Key outcomes:**

- ❑ Identify if any stakeholders request access to same software used by SPS (per rule guidelines)
- ❑ Review of SoN input and first check on consensus among stakeholders
- ❑ Review draft modeling results to date and finalize stakeholder requested runs
- ❑ Introduce factors to consider in evaluating resource portfolios

If this is your first meeting...please introduce yourself via the chat:

- Your Name
- Your Organization
- Your email address
- Your primary topic of interest related to the IRP



### ANNOUNCEMENT

Any stakeholder who desires access to the same software as the utility, as provided for in the IRP Rule, notify [info@Gridworks.org](mailto:info@Gridworks.org) **today**.

## Stakeholder Deliverables are Input to Statement of Need and Action Plan

May - June

- May 16: 2 – 4:30 PM
- June 1: 2 - 4 PM
- June 13 & 14: 12–5 & 9–3 workshop in Roswell

July – August

- **July 6: 1 – 5 PM**
- **August 1 & 2: 12-5 & 9-3 workshop, via ZOOM**
- **August 29: 2 – 3:30 PM**

September - October

- **Sept. 21: 1 – 5 PM**
- **Oct. 26: 2 – 3:30 PM**

1: Grounding and Statement of Need, Prepare for Modeling

2: Model Runs and Produce Action Plans, Check alignment with Statement of Need

3: IRP Reviews and Process Feedback



## Statement of Need Interim Committee Update

- Review of input document to date
- Appreciation to interim committee members:
  - Jim DesJardins
  - Austin Jensen
  - Karen Boehler
  - Zoe Lees
- Feedback requested:
  - Elements that you don't agree with?
  - Comments, edits, questions submitted via chat or to [mtatro@gridworks.org](mailto:mtatro@gridworks.org) **by July 20**
- Consensus check during Aug. 1-2 meeting.

## Draft Model Results to Date

- SPS presentation, 60 minutes
- BREAK
- Questions submitted via chat
- Responses, 30 minutes
- Responses to unanswered questions will be documented and posted on the GRIDWORKS.org website for this meeting.



# Southwestern Public Service





## Status of Stakeholder Requested Model Runs

- Requests received to date
- Process for refining model run parameters
- **ANNOUNCEMENT**- Final date for request forms submitted

### **SPS IRP Modeling Request:**

- <https://forms.office.com/pages/responsepage.aspx?id=g6WyJAVcaku06U4S3AAIrR1gbuaeZGF0tbA2-yJjOyJURFZGMVJVTkRZVkVLRDY5SIhZOUsyVzczSiQIQCN0PWcu>

or

- [SPS IRP Modeling Request \(office.com\)](#)

The SPS presentation on June 1 included discussion about the post (economic) analysis review and the qualitative approach to evaluating resource portfolios.

Examples of factors considered are:

- NM RPS requirements (noting that due to the multi-state service territory, these are not model constraints)
- geographic location of new generation (close to load is better)
- resiliency, including transmission and distribution assets
- project risks (e.g., supply chain, generator interconnection)

## Factors in Evaluating Resource Portfolios

- Financial, competitive, operational, fuel supply, price volatility, downstream impacts on transmission and distribution investments, extreme-weather events, and anticipated environmental regulation costs.
- Cost through projected life
- Mitigation of ratepayer risk
- Other factors
  1. load management or modification and energy efficiency requirements
  2. meeting renewable energy portfolio requirements
  3. existing and anticipated environmental laws and regulations, and, if determined by the commission, the standardized cost of carbon emissions
  4. fuel diversity
  5. susceptibility to fuel interdependencies
  6. transmission or distribution constraints
  7. system reliability and planning reserve margin requirements

## Do Stakeholders Wish to Provide Input on the Factors?

Which factors are most important to you?  
What measures best characterize those factors?

Enter your comments in chat or send feedback to  
[mtatro@gridworks.org](mailto:mtatro@gridworks.org) by **July 20**

## Looking Ahead

- Aug. 1-2: noon – 5 PM and 9 AM – 3 PM, Meeting #5 **via ZOOM**  
**Stakeholders also welcome to join SPS in Hobbs to participate via ZOOM. Contact [Linda.L.Hudgins@xcelenergy.com](mailto:Linda.L.Hudgins@xcelenergy.com) for more information.**
- Aug. 29: 2 PM – 3:30 PM, Meeting #6 via Zoom
- Sept. 21: 1 PM – 5 PM, Meeting #7 via Zoom
- Oct. 16 – IRP is filed
- Oct. 26: 2 PM – 3:30 PM, Meeting #8

## Your Feedback is Critical

***...please:***



**Scan the QR Code to the right**

**OR**



**Visit this link:**

**[bit.ly/SPS-IRP-Feedback](https://bit.ly/SPS-IRP-Feedback)**

Feedback allows us to:

1. Measure effectiveness of this new process for the NM PRC
2. Improve Gridworks' facilitation effectiveness
3. Hear your concerns and suggestions



Thank you for attending.

Questions? Please contact Margie Tatro at:  
[mtatro@gridworks.org](mailto:mtatro@gridworks.org)  
505-205-0838  
or Deborah Shields at [INFO@gridworks.org](mailto:INFO@gridworks.org)



GRIDWORKS

**Materials for this and future meetings available at:** [Xcel Energy/Southwestern Public Service Company \(SPS\) – Gridworks](https://www.xcelenergy.com/en-us/about-us/partners/southwestern-public-service-company)

or

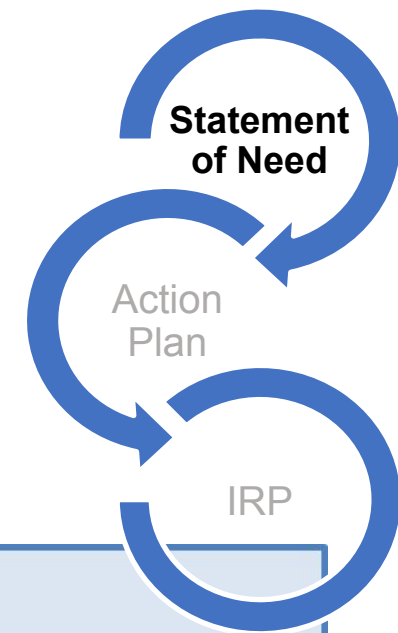
<https://gridworks.org/initiatives/new-mexico-energy-planning/>

# Supplemental Information





## Statement of Need Defined by the IRP Rule



### Statement of Need 17.7.3.10

- ❖ The statement of need is a description and explanation of the amount and the types of new resources, including the technical characteristics of any proposed new resources, to be procured, expressed in terms of energy or capacity, necessary to reliably meet an identified level of electricity demand in the planning horizon and to effect state policies.
- ❖ The statement of need shall not solely be based on projections of peak load. The need may be attributed to, but not limited by, incremental load growth, renewable energy customer programs, or replacement of existing resources, and may be defined in terms of meeting net capacity, providing reliability reserves, securing flexible resources, securing demand-side resources, securing renewable energy, expanding or modifying transmission or distribution grids, or securing energy storage as required to comply with resource requirements established by statute or commission decisions.

## From Appendix A in the IRP Rule...

### **DETERMINATION OF THE RESOURCE PORTFOLIO:**

- A.** To identify the most cost-effective resource portfolio, utilities shall evaluate all supply- side resources, energy storage, and demand-side resource options on a consistent and comparable basis, taking into consideration risk and uncertainty, including but not limited to financial, competitive, operational, fuel supply, price volatility, downstream impacts on transmission and distribution investments, extreme-weather events, and anticipated environmental regulation costs.
- B.** The utility shall evaluate the cost of each resource through its projected life with a life-cycle or similar analysis.
- C.** The utility shall consider and describe ways to mitigate ratepayer risk.
- D.** Each electric utility shall provide a summary of how the following factors were considered in, or affected, the development of resource portfolios:
  - (1)** load management or modification and energy efficiency requirements;
  - (2)** renewable energy portfolio requirements;
  - (3)** existing and anticipated environmental laws and regulations, and, if determined by the commission, the standardized cost of carbon emissions;
  - (4)** fuel diversity;
  - (5)** susceptibility to fuel interdependencies;
  - (6)** transmission or distribution constraints; and
  - (7)** system reliability and planning reserve margin requirements.
- E.** Alternative portfolios. In addition to the detailed description of what the utility determines to be the most cost-effective resource portfolio, the utility shall develop alternative portfolios by altering risk assumptions and other parameters developed by the utility.