

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 THE 500 MW)
CHEYENNE RIDGE WIND PROJECT, A)
CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR)
THE CHEYENNE RIDGE WIND FARM,)
AND A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR)
THE 345 KV GENERATION TIE LINE)
AND ASSOCIATED FINDINGS OF)
NOISE AND MAGNETIC FIELD)
REASONABLENESS)

PROCEEDING NO. 18A-0905E

QUARTERLY CONSTRUCTION PROGRESS REPORT #4
CHEYENNE RIDGE WIND PROJECT

July 2020

TABLE OF CONTENTS

I. Introduction and Background	3
II. Overall Project Status	5
A. Status of Major Contracts	5
B. Status of Engineering, Procurement, and Construction Activities.....	5
C. Construction Related Issues.....	6
III. Project Costs	6
A. Updated Project Cost Estimate	6
B. Efforts to Reduce Project Costs	7
IV. Project Schedule.....	8

ATTACHMENTS

Highly Confidential Attachment A – Construction Cost Estimate Update
Attachment B – Project Schedule Update

I. INTRODUCTION AND BACKGROUND

On April 25, 2019, the Commission issued Decision No. C19-0367 approving: (1) the Corrected Non-Unanimous Comprehensive Settlement Agreement (“Settlement Agreement”) dated March 15, 2019; (2) a Certificate of Public Convenience and Necessity (“CPCN”) for the Cheyenne Ridge Wind Project, which is comprised of the approximately 500 MW Cheyenne Ridge Wind Farm and the approximately 65-mile, 345 kV generation tie-line (“Gen-Tie”) necessary to connect the Cheyenne Ridge Wind Farm to the Rush Creek Gen-Tie and Public Service’s system (together, the Cheyenne Ridge Wind Farm and the Gen-Tie are referred to as the Cheyenne Ridge Wind Project or the “Project”); and, (3) the customer protection mechanism (“CPM”) measure and reporting and evaluation approach as detailed in the Settlement Agreement. The CPM reporting and evaluation approach uses the Timeframe 1, Timeframe 2, and Timeframe 3 cost recovery proposal nomenclature utilized and described in the Direct Testimony of Brooke A. Trammell in this proceeding.¹

Section F(III)(A)(i) of the Settlement Agreement requires as follows (emphasis added):

i. Timeframe 1 Quarterly Reporting

The Settling Parties agree that, similar to reporting regarding the Rush Creek Wind Project approved in consolidated Proceeding No. 16A-0117E and Proceeding No. 16V-0314E, **Public Service will file quarterly progress reports in Proceeding No. 18A-0905E regarding the Project’s progress during construction.** These reports will cover the Cheyenne Ridge Wind Farm and the

¹ See Direct Testimony of Brooke A. Trammell, at 52:1-66:21 (filed December 21, 2018).

Gen-Tie and will be filed at the end of each quarter following approval of the Project by the Commission (emphasis added).²

Accordingly, Public Service is filing this fourth quarterly report regarding the construction progress of the Cheyenne Ridge Wind Project, which commenced construction in June 2019. This quarterly report includes information regarding the Project's construction progress from April 1, 2020 to June 30, 2020 (i.e., Q2 2020).

Previously filed quarterly reports include as follows:

- **Quarterly Report #1:** filed in October 2019, included information regarding the Project's construction progress from the start of Project construction on June 3, 2019 to September 30, 2019;
- **Quarterly Report #2:** filed in January 2020, included information regarding the Project's construction progress from October 1, 2019 to December 31, 2019 (i.e., Q4 2019); and
- **Quarterly Report #3:** filed in April 2020 includes information regarding the Project's construction progress from January 1, 2020 to March 31, 2020 (i.e., Q1 2020).

² The reference to "similar to reporting regarding the Rush Creek Wind Project approved in consolidated Proceeding No. 16A-0117E and Proceeding No. 16V-0314E" refers to the Company's semi-annual construction status reports regarding the Pawnee-Daniels Park Project filed in consolidated Proceeding No. 16A-0117E and Proceeding No. 16V-0314E and as detailed in Decision No. R14-1405 in Proceeding No. 14A-0287E. (See Section VII. of the Settlement Agreement approved by Decision No. C16-0958 in Proceeding No. 16A-0117E/16V-0314E).

II. OVERALL PROJECT STATUS

The discussion below provides an update on contracting, engineering, and construction milestones.

A. Status of Major Contracts

As detailed in the Company's first quarterly report filed in October 2019, all major contracts have been awarded and executed. The Company continues to actively manage these contracts.

B. Status of Engineering, Procurement, and Construction Activities

Key construction activities that occurred during Q2 2020, include:

- Wind turbine generator ("WTG") blade deliveries and erection were completed. WTG pre-commissioning activities continued. WTG final commissioning started;
- Construction of the underground collection system was completed;
- Construction of the West and East collector stations were completed and both stations were energized;
- Site restoration activities continued; and
- Gen-Tie was energized.

As of June 30, 2020, construction progress is estimated as follows:

- Blade deliveries – 100 percent complete;
- Collection system – 100 percent complete;
- Turbine erection – 100 percent complete;
- Pre-commissioning – 86 percent complete; and
- Final commissioning – 44 percent complete.

C. Construction Related Issues

To date, construction continues to progress smoothly and there have been no significant construction-related issues to report. As detailed in the Company's quarterly report filed on April 30, 2020, the Company and its construction partners and crews have been complying with corporate policies and guidance from the Center for Disease Control ("CDC") to ensure a safe work environment during the COVID-19 pandemic. To date, there have been no significant COVID-19 associated impacts or delays to the project schedule. All materials and equipment components have been delivered and there have been no supply chain impacts or material procurement delays. The Company continues to closely monitor COVID-19 conditions, as it is doing across all of the Company's activities, with employee safety as its number one priority.

III. PROJECT COSTS

Under the terms of the Settlement approved by Decision No. C19-0367, the point cost for Project capital costs is \$743 million, including Allowance for Funds Used During Construction ("AFUDC"). In the quarterly reports, \$743 million is referred to as the "Baseline Budget." Highly Confidential Attachment A to this report shows the project cost estimates as of June 30, 2020 as compared to the Baseline Budget.

A. Updated Project Cost Estimate

An estimated cost of construction for the Cheyenne Ridge Wind Project was provided as Highly Confidential Attachment KAR-8 to the Direct Testimony of Ms. Kimberly A. Randolph filed on December 21, 2018 in this proceeding. Highly Confidential Attachment A provides updated project costs for the line items and project cost estimates set forth in Attachment KAR-8 as of June 30, 2020. Highly Confidential Attachment A also shows the delta between initial cost estimates provided in Attachment KAR-8 and

cost estimates as of June 30, 2020 and provides a brief reason for any change. As of June 30, 2020, Public Service has spent \$685 million, or 92 percent of the Baseline Budget of \$743 million.

B. Efforts to Reduce Project Costs

The Company's efforts to reduce Project costs are ongoing. As noted in previous progress reports, the Company reviews detailed Project budget line items on a regular basis to identify potential cost savings opportunities. Any significant cost savings that are identified over the course of construction management as Project construction progresses will be accounted for in the cost estimates reported in Attachment A. In Q2 2020, cost savings were captured by: (1) a reduction in estimated road repair costs due to implementation of continuous maintenance throughout the project; and (2) a reduction in estimated wind delays due to deploying night shift construction labor during the windy season. The Company continues to work with its contractors to increase efficiencies and identify areas for further cost savings.

IV. PROJECT SCHEDULE

A detailed “30-line” Project schedule was included as Attachment KAR-10 to the Direct Testimony of Ms. Kimberly A. Randolph filed on December 21, 2018 in this proceeding. The 30-line schedule has been updated to reflect actual construction progress through June 30, 2020 and is included as Attachment B to this report. The overall Project continues to progress ahead of schedule and is currently tracking to meet the December 2020 commercial operation date (“COD”).

Dated this 31st day of July 2020.

Respectfully submitted,

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