

# Making Progress Toward the New Energy Economy

## Missouri Department of Natural Resources

Remarks of Ron Binz, Senior Policy Advisor  
Center for the New Energy Economy  
Colorado State University

Columbia, Missouri • November 14, 2011



# Center for the New Energy Economy

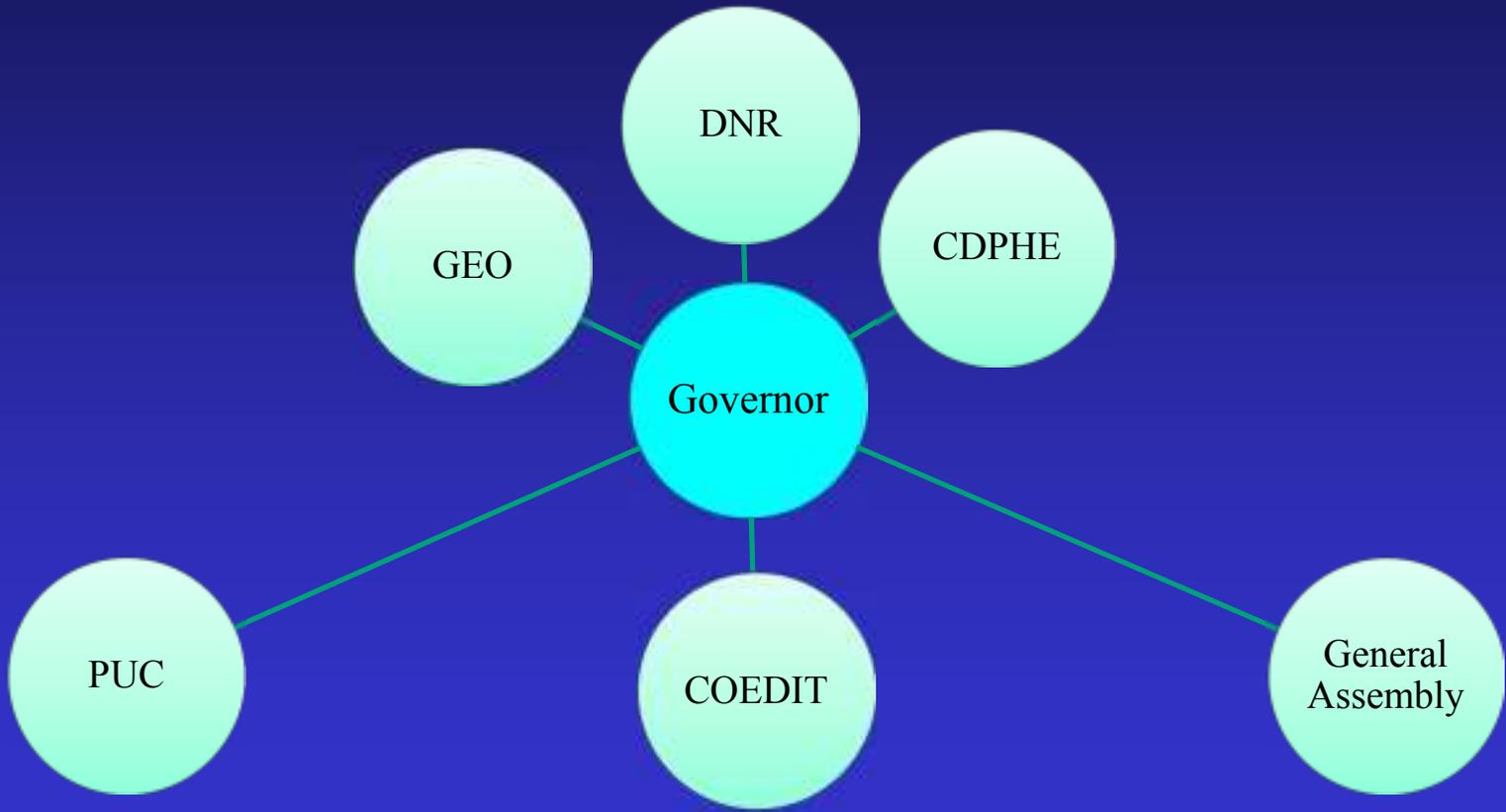
- Center at Colorado State University
  - Within School of Global Environmental Sustainability
- Founded in early 2011
- Directed by Former Colorado Governor Bill Ritter, Jr.
- Foundation funded
- **Mission:** *The Center for the New Energy Economy will provide policy makers, governors, planners and other decision makers with a road map that will accelerate the nationwide development of a New Energy Economy.*

# The New Energy Economy

- Potent message
  - Renewable Energy
  - Economic Development
  - Energy Efficiency
  - Equity
- Often bipartisan
- Coordinated state government effort



# The Actors



## Focus on Governor's Energy Office (GEO)

- Raised to a cabinet-level position
- Active in
  - Program delivery
  - Customer access
  - Regulatory proceedings
  - Policy development
  - Developing post-ARRA capacity

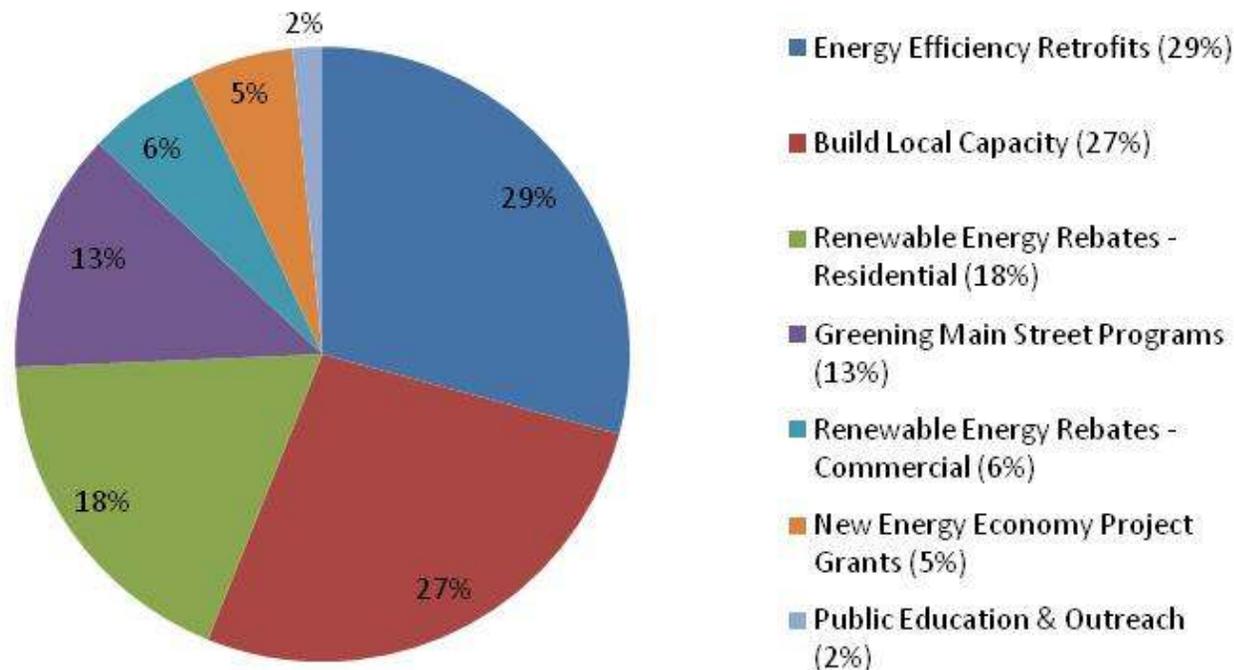
# GEO Milestones

- Worked closely with Office of Economic Development to attract clean energy businesses to Colorado
- Developed local capacity using EECBG funds to pay for Community Energy Coordinators to build awareness and support for programs with local governments
- Created “Recharge Colorado” website
- Successful delivery of ARRA funds
- Provided free training and workshops for local building officials and contractors on IECC 2009 Efficiency Code Standards

# GEO Milestones, cont'd.

- Established 15 pre-qualified ESCOs to contract on energy efficiency investments for state entities and facilitate local government improvements for municipal buildings.
- Worked with Department of Labor and Employment: DOE grant for workforce training through community colleges system and outreach through the CDLE training centers.
- Intervened in several significant PUC proceedings, including Clean Air Clean Jobs and Energy Efficiency dockets.

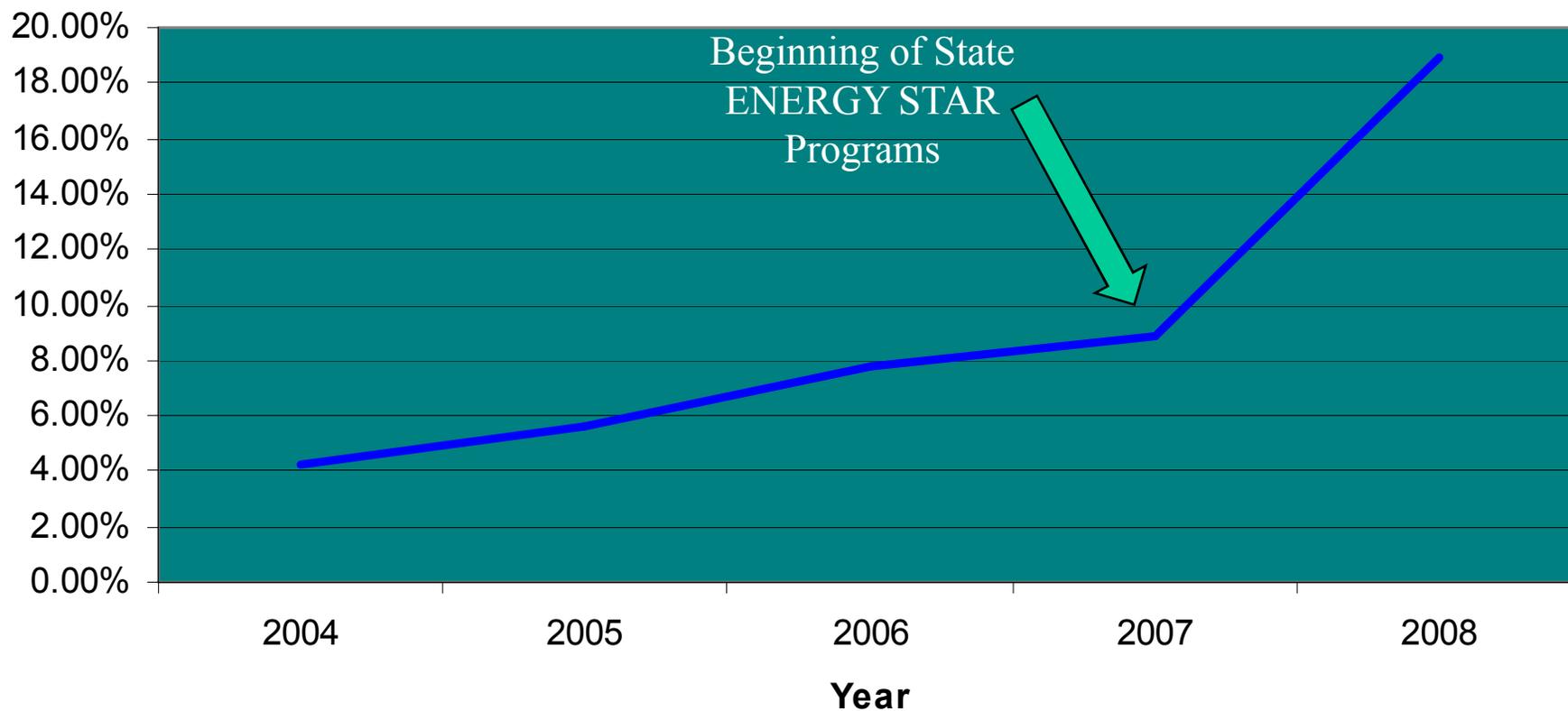
## Total GEO EECBG Funds \$9,593,500



GEO required to distribute at least 60% (\$5,756,100) to small local governments. GEO plans to distribute a minimum of 77% (\$7,377,030).

# ENERGY STAR – High Efficiency Homes

**% ENERGY STAR New Homes Sold**



## Focus on Health Department (CDPHE)

- Active in policy development
- As air quality agency, active with utilities on EPA SIP
- Active in regulatory proceedings at PUC
- Active in legislative efforts
- Central role in Clean Air Clean Jobs Act implementation

# Focus on the DNR

- Adopted new gas drilling rules in 2007
  - Fracking in Colorado
- Streamlined gas drilling regulation
  - New well permits
- Active in policy development

# History of Colorado's RPS

- Amendment 37 (2004)
  - Voter initiated; 10% by 2020; solar carve-out; net metering
- HB 1281 (2007)
  - 20% by 2020; 10% for Munis, Coops; solar carve-out
- HB 1001 (2010)
  - 30% by 2020; carve out for DG of 3% by 2020 (~650 MW PV)

# Focus on the Legislature

- RPS 10% >> 20% >> 30% (2007, 2010)
- Clean Air Clean Jobs Act (2010)
- In all, 79 New Energy Economy bills

# 79 New Laws

# Focus on the PUC

- Implemented 20% RPS, 30% RPS
  - Worked within 2% rate cap
- Implemented EERS
  - Standards exceeded statutory minimum
  - Utility incentives
- Re-designed IRP process with new rules
  - Used “Section 123” in resource selection
- Rewrote transmission rules
- Implemented residential tiered rate structure
- Implemented CACJA in 2010
  - Plant closures and conversions
  - Long term natural gas contract

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

# An Act

HOUSE BILL 10-1365

BY REPRESENTATIVE(S) Solano and Roberts, Bensfield, Carroll T., Court, Fischer, Frangas, Geron, Hurlingham, Kagan, Kerr A., Kerr J., King S., Levy, Linton, Massey, May, McFadyen, McNulty, Merrifield, Middleton, Miklosi, Peniston, Ponsner, Primavera, Rice, Ryden, Scanlan, Schafer S., Stephens, Todd, Tyler, Vaid, Vigil, Ferrandino, Kefalas, Labuda, McCann, Nikkel, Riesberg, Summers;  
also SENATOR(S) Whitehead and Peary, Bacon, Boyd, Brophy, Carroll M., Foster, Heath, Johnston, Morse, Romer, Shaffer B., Steadman, Williams.

CONCERNING INCENTIVES FOR ELECTRIC UTILITIES TO REDUCE AIR EMISSIONS, AND IN CONNECTION THEREWITH, REQUIRING PLANS TO ACHIEVE SUCH REDUCTIONS THAT GIVE PRIORITY CONSIDERATION TO REPLACING OR REPOWERING COAL GENERATION WITH NATURAL GAS AND ALSO CONSIDERING OTHER LOW-EMITTING RESOURCES, AND MAKING AN APPROPRIATION.

Enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 3.2 of title 40, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 2

Capital letters indicate new material added to existing statute; dashes through words indicate deletion from existing statute and such material not part of act.

## Colorado's Clean Air Clean Jobs Act

# Structure of HB 10-1365

- Utility must consult with CDPHE on plan to meet current and projected EPA clean air rules.
- Utility files plan with PUC to improve air quality, addressing at least half of coal generation up to 900 MW.
- Utility required to conduct various studies:
  - Plan impacts on NO<sub>x</sub> emissions
  - Cost of controlling emissions at existing coal plants
  - Cost of replacing 900 MW coal generation with natural gas
  - Impacts on system reliability
- CDPHE will participate in PUC process.
- Any PUC-approved plan must meet projected EPA rules.
- Air Quality Control Commission will incorporate approved plan into State Implementation Plan (SIP) for addressing regional haze.
- New law specifies some details of regulatory cost recovery

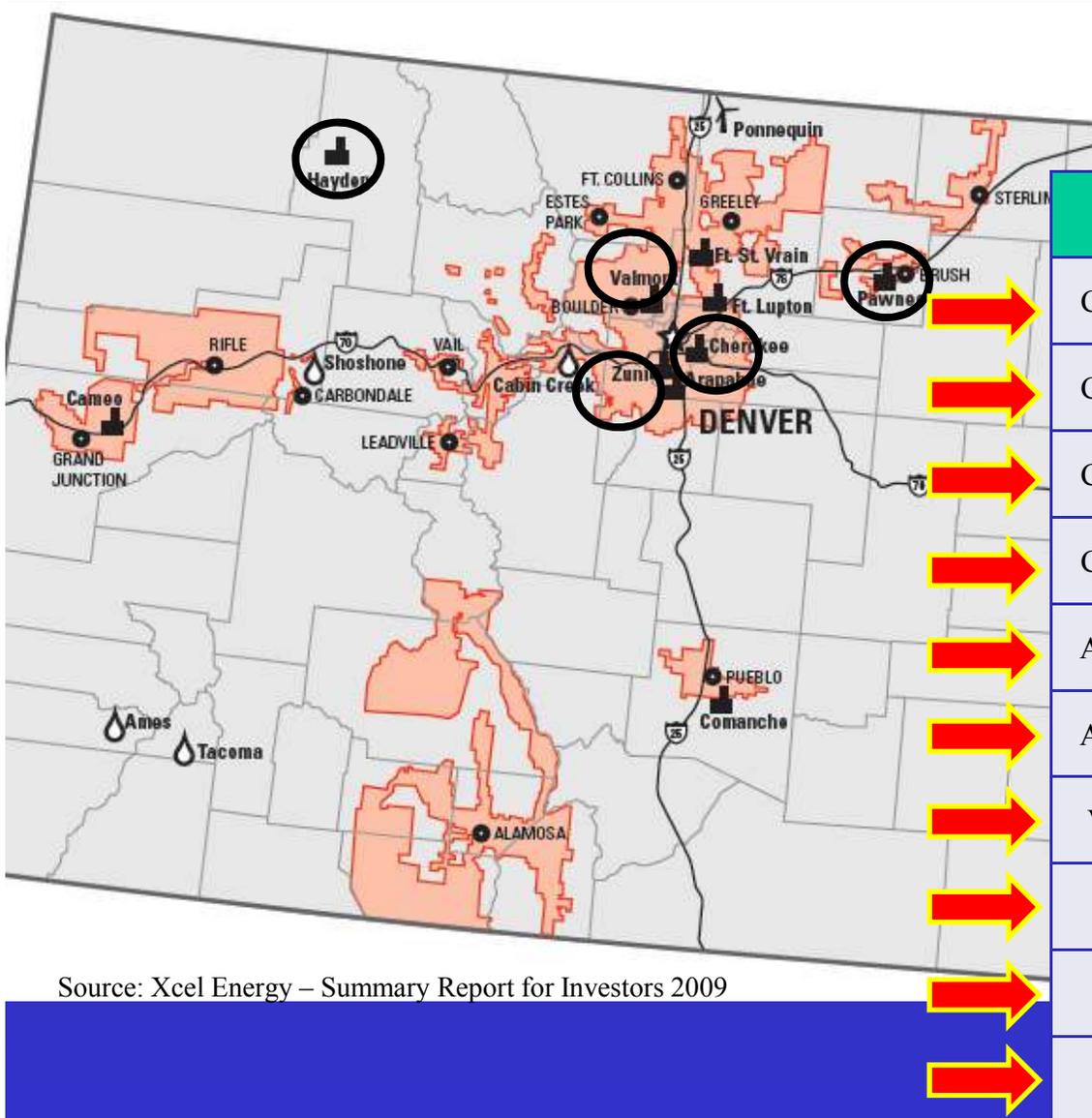
# HB10-1365 PUC Timeline for Xcel

April 19	Bill signed into law
April 21	PUC opened docket
May 27	Prehearing conference
	Ruling on Interventions (34 parties)
August 15	Xcel filed preferred and alternate plans
November	Hearings (~90 witness testimonies)
December 15	PUC Issued Its Order
January 2011	CDPHE adopts SIP

# Highlights of the Proceeding

- Utility filed analyses of ~20 plans (7 basic plans with variations)
- Interventions by large gas and coal interests
- Two very large public hearings
- Prefiled testimony of 91 expert witnesses
- Utility has rejected “controls-only” plan
- Utility’s preferred plan was ruled not in compliance with new statute; utility filed new plans and identified new preferred plan
- CDPHE has rejected some plans as insufficient to meet EPA rules
- Long-term natural gas contract filed for approval
- Motion to disqualify two commissioners
- Hearings in evenings and on Saturdays

# Decisions on PSCo Plants

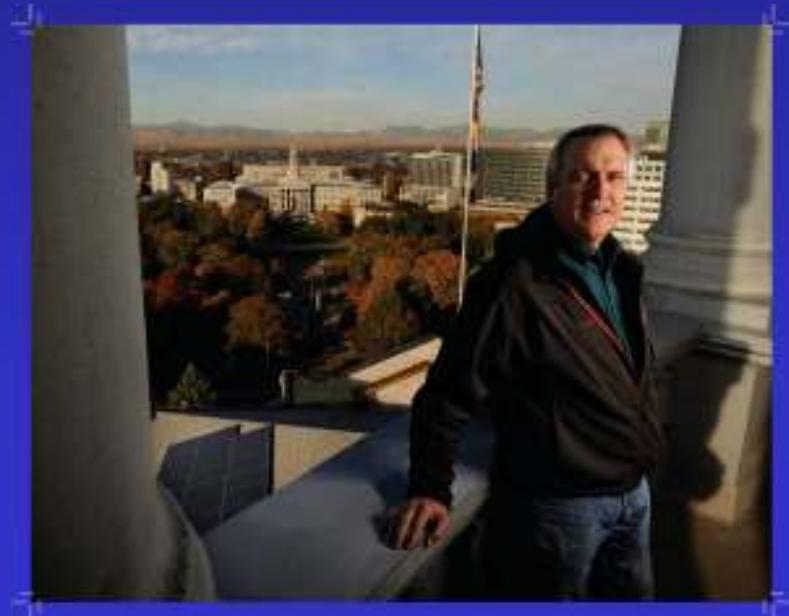


Unit	Size	Action	Date
Cherokee 1	107 MW	Retirement	2011
Cherokee 2	106 MW	Retirement	2011
Cherokee 3	152 MW	Retirement	2015
Cherokee 4	352 MW	Conversion	2017
Arapahoe 3	45 MW	Retirement	2013
Arapahoe 4	111 MW	Conversion	2014
Valmont 5	186 MW	Retirement	2017
Hayden 1	139 MW	Controls	2015
Hayden 2	98 MW	Controls	2016
Pawnee	505 MW	Controls	2014

Source: Xcel Energy – Summary Report for Investors 2009

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# Center for the New Energy Economy

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CENTER FOR THE NEW ENERGY ECONOMY  
Building Colorado's Future

AN ECONOMIC REVOLUTION.  
*A 21st Century Shift.*

"Just as the industrial revolution created the jobs of the 20th century, we now usher in a new century of innovation, creativity and entrepreneurial vigor. The New Energy Economy is creating the pathway to these careers and a new American century of leadership." - Governor, Bill Ritter, Jr.

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RESOURCES

- For Policy Makers
- For Green Industry Professionals
- For Residential Energy Consumers
- For Researchers
- For Students

ENERGY JOBS

- Sr. Energy Markets Consultant - SAIC Energy - Denver, CO
- Staff Environmental Compliance Consultant - ERM - Denver, CO
- Power Electronics Engineer - Boulder Wind Power - Boulder, CO

more energy job postings...

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The School of Global Environmental Sustainability



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# Public Policy Consulting

[www.rbinz.com](http://www.rbinz.com)

## Public Policy Consulting

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Welcome to Public Policy Consulting, the regulatory consulting practice of Ron Binz.

Here you will find my resume, examples of my work, my clients, and my publications.

I look forward to working with your company or agency to address the emerging policy issues in energy and telecommunications.

I have more than thirty years experience in utility regulatory policy, having served as the Chairman of the Colorado Public Utilities Commission, as Colorado's consumer advocate, and as an expert consultant in more than 100 cases across the U.S., including fifteen appearances before Congressional Committees.



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**Thanks for the invitation**

**I look forward to your questions.**