

FAQ about Community Choice Energy (CCE), and the [CCE Study Bill](#) ([PDF](#))

GENERAL PRINCIPLE THAT APPLIES TO MOST QUESTIONS:

One of the main purposes of the CCE Study Bill is to get thoughtful answers to important questions such as those discussed below. The bill calls for an informational docket at the Public Utilities Commission (PUC) to study the regulatory implications of CCE, and includes a list of questions to be addressed by expert testimony and broad stakeholder input. The bill also calls for a Financial and Technical Feasibility Study by a qualified third party to evaluate the costs and benefits of CCE for Colorado ratepayers.

CONTENTS:

1. Would CCE increase costs for ratepayers?
 2. Would CCE shift costs onto remaining investor-owned utility (IOU) customers?
 3. Is CCE a threat to investor-owned utilities (IOUs)?
 4. Would CCE accelerate, or slow down, the transition to renewable energy?
 5. How would CCE impact low-income ratepayers?
 6. Can CCE function without a wholesale electricity market?
 7. Xcel is a national leader in clean energy, so why not leave it to Xcel?
 8. Will limited transmission access hinder wholesale suppliers? (also see #6)
 9. Isn't electricity procurement too complicated for local governments to manage?
 10. How will the CCE Feasibility Study and PUC docket be paid for?
 11. What would CCE mean for electric co-ops and municipal electric utilities?
 12. Would CCE slow down Xcel's progress on decarbonization?
 13. What would CCE mean for the solar and storage industry in Colorado?
 - 14. Why not study all of the options for communities, not just CCE?**
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1. WOULD CCE INCREASE COSTS FOR RATEPAYERS?

Not necessarily, and probably the opposite. CCE may allow communities to achieve their energy goals more cost-effectively and more quickly through the introduction of competition and community-level consumer choice. However, the CCE Study Bill could answer this question more definitively.

- Boulder issued a Request for Indicative Pricing (similar to a RFP), and 12 wholesale suppliers responded. The result was that Boulder could have 89% renewable energy (RE) in 2024 at 2/3 the cost of electricity from Xcel (when Xcel will be at 56% RE). [[summary PDF](#) - see table on page 2]
- Marin Clean Energy, California's most mature CCE, has two rate plans that can be compared to their investor-owned utility's (IOU's) 39% RE product. Marin's "light green" product is 61% RE and costs the same as the IOU's 39% RE product, and Marin's "deep green" product is 100% RE and

costs 4% more than the IOU. These costs include the exit fee paid to the IOU to keep its shareholders and other customers whole (cost-neutral). The dozen communities in Colorado with 100% RE goals in the 2025 to 2035 timeframe are looking for options like this (as compared to Xcel's goal of 100% RE by 2050). These rates are effective July 2019, and the cost of new renewable energy will continue to decrease with time. [See [Marin Clean Energy rates page](#)]

2. WOULD CCE SHIFT COSTS ONTO REMAINING IOU CUSTOMERS?

No. CCE is designed to be cost-neutral for investor-owned utility (IOU) customers. CCE customers pay an "exit fee" or "transition fee" over a period of time, which is calculated to compensate the IOU for generation assets and contracts that were procured on behalf of the departing CCE load. The purpose and amount of the exit fee is to prevent costs shifts onto remaining IOU customers (or those who opt out of the CCE), and to keep the IOU and its shareholders financially "whole." One purpose of the CCE Feasibility Study proposed in the Bill is to estimate the expected exit fee under a range of scenarios, as a means of evaluating the rate competitiveness of CCE in Colorado.

3. IS CCE A THREAT TO INVESTOR-OWNED UTILITIES?

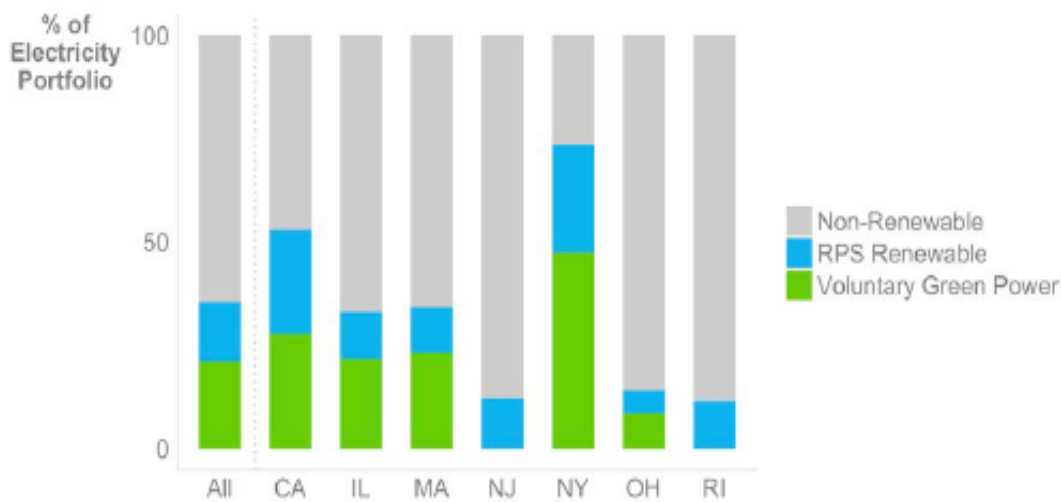
No. CCE may drive competition in the area of electricity generation, but transmission, distribution, and customer service all remain under utility control.

- The utility, its customers, and its shareholders are kept whole through exit fees that recover the cost of assets and contracts that were acquired on behalf of departing CCE customers, to prevent cost shifts onto the customers of the utility in other jurisdictions (or those that opt out of the CCE).
 - In the 21st century there are opportunities for utilities to shift away from earning a return on capital investment in generation, and toward more investment in distribution-level grid modernization to create the more dynamic and resilient grid needed to support high levels of distributed energy resources, and to shift away from the cost-of-service utility model and toward a more performance-based model which the legislature has already directed the PUC to study under SB19-236.
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4. WOULD CCE ACCELERATE, OR SLOW DOWN, THE RENEWABLE ENERGY TRANSITION?

While the impact of CCE on decarbonization varies from one state to another depending upon several factors (most notably, the regulatory structure), the following data demonstrate that when implemented well, CCE is unequivocally beneficial to accelerating the adoption of renewable energy:

- In 2017, CCE authorities in the U.S. procured about 8.9 million MWh of "voluntary green power" in excess of that required by state renewable energy requirements, as shown in the figure below from a National Renewable Energy Laboratory (NREL) study. [ref 1 (page 9)]



CCA voluntary green power shares of total electricity portfolios by state. In five of the seven states that have enabled CCE, renewable energy procurement substantially exceeds that required by each state's renewable portfolio standard (RPS).

- In California, all active CCE authorities procure more renewable energy than required by law [1 (page v)]. In 2017, the average renewable energy content of electricity sold by a California CCE authority was 49%--well above the state's requirement [2]. Note: It is the California "wholesale model" of CCE that is the subject of Rep. Hooton's CCE Study Bill.
- The National Renewable Energy Laboratory (NREL) projects a rapid increase in "voluntary green power" if and when additional states enable CCE. [1 (pages 18-19)]
- In the deregulated/restructured "retail choice" states with competitive retail power markets (which does not include Colorado), concerns about "customer churn" (i.e., frequent customer switching between retail suppliers and the utility) prevents retail suppliers from entering into long-term purchases of renewable energy, which disincentivizes the development of new renewable energy projects. This points to an advantage that traditionally regulated states like Colorado and California have over restructured states: the absence of a retail electricity market enables a longer-term focus and ability to enter into long-term power purchase agreements. California has procured well over 2,000 MW of renewable energy capacity via long-term contracts in the last few years, with much more on the way [2]. Moreover, by California law beginning January 1, 2021, at least 65 percent of a retail seller's energy procured to comply with the state's renewable portfolio standard must be from contracts of at least 10 years duration, creating an environment that is attractive to renewable energy developers [3]. As a result, by 2030, CCE authorities in California plan to purchase more than 10,000 MW of new renewables and energy storage [4].
- In a recent analysis, all CCE authorities interviewed by NREL reported offering a voluntary green energy product (i.e., above state renewable energy requirements) at a discount relative to basic service from the incumbent utility. In contrast, voluntary green power programs offered

through utilities almost always entail premiums over basic service, typically on the order of \$0.01/kWh, but sometimes as high as \$0.05/kWh [1].

- Many CCE authorities have adopted formal decarbonization strategies that go well beyond the green energy products that they offer. Silicon Valley Clean Energy (the CCE authority that serves thirteen communities in Santa Clara County, CA) has developed one of the most substantive and detailed of these strategies, incorporating the decarbonization of its energy supply, electrification of the built environment (both existing and new buildings), mobility electrification, and additional efforts. SVCE's Decarbonization Strategy is available online [here](#).
- Finally, the purpose of the CCE Study Bill is to get answers to this and many other questions through an investigatory proceeding at the Public Utilities Commission that includes invited presenters and broad stakeholder input, including from environmental advocates and from communities with declared ambitious renewable energy goals.

Sources

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- [3] California State Legislature. 2015. *SB-350 Clean Energy and Pollution Reduction Act of 2015*. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350
- [4] Ashleigh Cotting, Stephanie Tsao, Garrett Hering, and Ciaralou Palicpic. August 15, 2019. *Aggregators supply nearly one-quarter of regulated load in California*, S&P Global Market Intelligence, <https://www.spglobal.com/marketintelligence/en/news-insights/trending/OfUwtWWI8nb6uiplukkkqg2>
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5. HOW WOULD CCE IMPACT LOW-INCOME RATEPAYERS?

CCE can only benefit low-income ratepayers, for at least two reasons. The first is that, like all ratepayers, low-income individuals have the ability to simply opt-out of the CCE if the rate offered by their community is not beneficial to them, and return to the low-income rate offered by the incumbent electric utility. Thus, CCE can do no harm to low-income ratepayers. All CCE programs have an opt-out provision.

Second, and perhaps more importantly, in most of the states where CCE has been enabled, CCE authorities are empowered to create additional energy programs tailored to the specific needs and priorities of the communities they serve. Some CCE authorities have chosen to create programs that specifically focus on the needs of low-income and other disadvantaged populations. As an example, the following selected "Recitals" (declarations) from the [San Diego Regional Community Choice Energy Authority Joint Powers Agreement](#) (the document legally establishing the area's CCE Authority) demonstrate the region's commitment to use CCE to support its low-income population:

By establishing the Authority, the Parties seek to:

- g. Provide a range of energy product and program options, available to all Parties and customers, that best serve their needs, their local communities, and support regional sustainability efforts;
- h. Demonstrate quantifiable economic benefits to the region including prevailing wage jobs, local workforce development, economic development programs, new energy programs, and increased local energy investments;
- j. Promote supplier and workforce diversity, including returning veterans and those from regional disadvantaged and under-represented communities of concern, to reflect the diversity of the region;
- l. Ensure that low-income households are provided with affordable electric rates and have access to special utility rates including California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs;
- m. Pursue purposeful and focused investment in communities of concern, prioritization of local renewable power, workforce development, and policies and programs centered on economic, environmental, and social equity.

While the foregoing is certainly no guarantee that low-income ratepayers will benefit from CCE wherever it is established, it demonstrates that the flexibility of CCE can provide communities with an additional tool to create programs tailored to aid their low-income and vulnerable populations.

Finally, the purpose of the CCE Study Bill is to get answers to this and many other questions through an investigatory proceeding at the Public Utilities Commission that includes invited presenters and broad stakeholder input, including from consumer advocates. There is no doubt that low-income advocates will participate in this proceeding. Also, addressing the topic of consumer protections is specifically called for in the bill.

6. CAN CCE FUNCTION WITHOUT A WHOLESALE ELECTRICITY MARKET?

Yes - although it would be simpler and more cost-effective to implement CCE if the transmission grid was unified and managed by an Independent System Operator (ISO) under a common transmission tariff (or if Colorado utilities belonged to a Regional Transmission Organization (RTO) which performs the function of an ISO in addition to operating a wholesale market).

- In the absence of an ISO, CCEs could acquire power from alternative suppliers in much the same way that many municipal utilities do today, which is through bilateral contracts with suppliers, and paying transmission charges to each transmission owner across whose wires that power flows.
- All signs point toward Colorado having some type of wholesale electricity market in the future. A wholesale market would also benefit if Colorado had an integrated transmission grid managed by a non-profit ISO. Other beneficiaries of an ISO would be independent power producers and power marketers, large energy users, and CCEs, and really all ratepayers would benefit from the cost savings that comes with an efficiently run transmission grid. The transmission piece of the equation and the markets piece can be treated separately, and the legislature could require that all

transmission in the state be managed by an ISO (where transmission owners retain ownership and associated revenue). The PUC has opened a docket on markets as required by SB19-236, but there is no reason not to pursue an integrated transmission system sooner than any market solution that might result from the docket. But again, CCE could still be implemented without an ISO, and this question is one of those to be addressed by the studies proposed in the CCE Study Bill.

- Oregon has put forward CCE-enabling legislation, and Oregon is similar to Colorado in that it does not have an ISO or belong to a RTO, and it is also a vertically-integrated monopoly investor-owned utility state like Colorado. The Oregon legislation would be a good source of information to draw from if the proposed CCE study indicates that CCE would be in the best interests of Colorado.
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7. XCEL IS A NATIONAL LEADER IN CLEAN ENERGY, SO WHY NOT LEAVE IT TO XCEL?

Three main reasons: 1) the timeframe is too long for many communities; 2) it could be accomplished more cost-effectively with the competition factor that is introduced by CCEs; and 3) communities want more local control over not just their energy sources and energy costs but also over the great variety of innovative energy programs that are possible when they can create their own programs to serve local goals and values (for example, energy efficiency incentives, on-bill financing, electric vehicle time-of-use charging rates, among many other possibilities).

- A dozen communities in Colorado have adopted 100% renewable energy goals in the 2025 to 2035 timeframe. That is more aggressive than either Xcel's 2050 goal, Colorado's 2040 goal, or Black Hills' lack of a goal. Also, many of the over two dozen communities that belong to Colorado Communities for Climate Action (CC4CA) would likely favor more local control to move faster on their goals.
 - CCE can be more cost-effective for several reasons: they are non-profit so there are no shareholders to serve nor excessive executive salaries to pay; renewable energy is the lowest-cost energy these days; and CCEs are more nimble and innovative and can respond to local needs more effectively.
 - Two cost examples (Boulder's RFIP and Marin Clean Energy) are described in the response to Question #1.
 - Finally, monopolies on electricity generation just don't make sense in the 21st century, when there is obviously robust competition to produce electricity. CCE would offer a modest amount of competition to IOUs (by providing one alternative choice), and would drive IOUs to give communities what they want at a good price if they want to keep them as customers. At the same time, CCE is NOT an existential threat to IOUs because electricity supply is only one part of their business - the part that no longer merits being a monopoly.
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8. WILL LIMITED TRANSMISSION ACCESS HINDER WHOLESALE SUPPLIERS? (also see #6)

The current transmission system in Colorado is not optimal for most wholesale electricity suppliers, because transmission owners have much control over who can move power across their wires and when. However, the Federal Open Access Transmission Tariff (OATT) rules guarantee non-discriminatory access to the transmission system, so transmission owners can't outright deny access. Municipal utilities already successfully contend with the need for bilateral contracts and making arrangements with multiple transmission owners to procure their wholesale power.

- Colorado needs an integrated transmission grid operated by a non-profit Independent System Operator (ISO), as Regional Transmission Organizations (RTOs) have. This transmission piece of the equation is separate from the wholesale markets piece of the equation, where a full RTO would have both pieces. For a 21st century electricity system, independent power producers and power marketers, many municipal electric utilities, as well as CCEs, need fair access to the transmission grid, ideally more than is guaranteed by the Federal OATT rules. Transmission owners would still be compensated for the use of their wires, but they wouldn't control who has access to them and when - that would be determined by an independent non-profit entity (the ISO) following fair rules that everyone could count on. The legislature could require the formation of an Independent System Operator for all Colorado transmission in the next legislative session if they so chose.

9. ISN'T ELECTRICITY PROCUREMENT TOO COMPLICATED FOR LOCAL GOVERNMENTS TO MANAGE?

While electricity procurement by CCE authorities is indeed a complex process requiring expertise and due diligence, there are many good reasons to believe that this process is well within the capability of Colorado communities, including the following:

- **Many Colorado communities have long been responsible for procuring their own power.** Twenty nine communities in Colorado operate municipal electric utilities. These communities are already responsible for procuring the power that they distribute to their customers. CCE is actually much simpler than operating a municipal utility, because it does not involve the operation and maintenance of the distribution system infrastructure, nor managing metering, billing or customer service activities. If small communities can operate municipal utilities, there is no reason to believe that they couldn't perform the much simpler job of operating a CCE authority.
- **CCE authorities are governed locally and managed professionally.** CCE authorities can hire energy and utility experts, either as in-house staff or as consultants, to conduct or assist with solicitations, bid selection, and other aspects of CCE operation. Colorado has an abundance of in-state expertise.
- **Groups of smaller communities (or even large ones) can form a "Joint Powers Authority", pooling their loads and hiring energy procurement expertise for the group.** This practice is common in many of the states that have enabled CCE, and in fact is the norm in California.
- **A CCE-focused trade association could provide procurement support for its membership.** Such associations already exist in several of the states that have enabled CCE. Such an association could provide training and assistance to its membership in implementing best practices and optimizing outcomes.
- **The PUC could establish and enforce standards for any entity wishing to sell power to CCE authorities.** By doing so, the PUC could ensure that any wholesale supplier complies with minimum requirements such as technical and financial viability. Recommendations for minimum requirements for providers of wholesale power to CCEs is specifically called for in question (XIII) of the PUC investigatory docket that is called for by the CCE Study Bill.
- **Even the first Colorado communities to form CCE authorities would not be starting from zero.** Eight states have already enabled CCE, and collectively they have decades of experience in

community-level energy procurement. There is a wealth of experience and best-practices that newly established CCEs could draw upon. Colorado is at least as capable as these other states!

The purpose of the CCE Study Bill is to develop information on this and many other questions through an investigatory proceeding at the Public Utilities Commission that includes invited expert speakers and broad stakeholder input.

10. HOW WILL THE CCE FEASIBILITY STUDY AND PUC DOCKET BE PAID FOR?

This will be addressed when a fiscal note is issued by Legislative Council Staff, which will recommend one or more funding sources (expected in late September or early October). Most likely, costs will be covered by the Fixed Utility Fund, which is the source of funding for most PUC endeavors, including much of the PUC-related work authorized in the bill SB19-236 ("PUC Sunset bill").

11. WHAT WOULD CCE MEAN FOR ELECTRIC CO-OPS AND MUNICIPAL ELECTRIC UTILITIES?

In the eight states that have authorized CCE so far, co-ops and municipal utilities have been explicitly exempted, since both are governed by the communities they serve, and at least in theory, they already have access to a competitive market of wholesale suppliers. Municipal utilities already procure or produce their own wholesale electricity.

Most Colorado co-ops are served by wholesale supplier Tri-State Generation and Transmission Association, and these co-ops are tied to highly restrictive long-term contracts (40-50 years), with a 5% cap on locally produced renewable energy. Communities served by Tri-State that have ambitious renewable energy goals and/or seek more local control over their electricity supply have few options. Two co-ops, so far, have fought Tri-State and managed to buy out their contracts so that they can pursue cheaper and cleaner wholesale electricity and local energy programs. It is an open question whether Colorado communities currently served by a co-op might benefit from the ability to form a CCE authority, and if so, what legal and regulatory changes would be necessary to enable it.

However, even assuming that co-ops are exempted from any CCE-enabling legislation as is traditional, both co-ops and municipal utilities would likely benefit indirectly if CCE is enabled for communities served by IOUs. The advent of CCE in Colorado would attract a growing number of wholesale suppliers competing to provide power to CCE authorities. This growing ecosystem of competitive wholesale suppliers would likely exert downward pressure on wholesale electricity prices, which co-ops and municipal utilities could take advantage of (to the extent that they or their suppliers are free to enter into new power purchase contracts).

12. WOULD CCE SLOW DOWN XCEL'S PROGRESS ON DECARBONIZATION?

No - in fact, CCE might speed it up. There's nothing like a little competition, aimed at meeting consumer demand for cleaner and cheaper electricity, to light a fire under a business that is not used to competition.

Most likely, any future legislation to enable CCE, which might arise if the proposed CCE studies are completed and show CCE to be beneficial, would require CCE authorities to comply with the same renewable energy standards and other energy-related requirements that IOUs are held to, at a minimum. Of course, one primary motivation for the CCE Study Bill is to investigate addressing the

needs of over one million Coloradans who live in communities that want 100% renewable energy and/or faster action on climate change, so once again, CCE is likely to accelerate decarbonization in Colorado relative to business as usual. But again, the purpose of the CCE Study Bill is to get thoughtful answers to questions such as this.

13. WHAT WOULD CCE MEAN FOR THE SOLAR AND STORAGE INDUSTRY IN COLORADO?

CCE would almost certainly increase local residential/commercial solar and storage installations, as well as increase large-scale solar development in Colorado. A dozen "Ready for 100" communities in Colorado have committed to obtaining 100% renewable energy by 2025 to 2035, and they need a viable path to reach that goal. In addition, the 29 members of Colorado Communities for Climate Action (CC4CA) advocate for more progress on climate change. Together these groups represent over one million Coloradans. The primary motivation for the CCE Study Bill is to evaluate CCE as a possible option for these communities.

If enabled in the future, CCE would likely accelerate deployment of community and utility scale solar and storage as communities sign on with independent power producers and power marketers in pursuit of their energy goals, goals which exceed those of both utilities and the state of Colorado.

Regarding rooftop solar, CCE would give communities more freedom to offer their own local energy programs that support local priorities. For example, many California CCEs offer solar net metering incentives that are more generous than those offered by the utility, to promote local solar installation.

While the above outcomes are not certain, it is important to note that CCE's impact on solar (and on Distributed Energy Resources in general) is specifically addressed by question 15 in the PUC informational docket that is called for in the CCE Study Bill:

THE TOPICS AND QUESTIONS TO BE EXPLORED IN THE DOCKET MAY INCLUDE:

(XV) WHETHER THE INCREASING INTEGRATION OF DISTRIBUTED ENERGY RESOURCES SUCH AS ROOFTOP SOLAR, COMMUNITY SOLAR, AND BATTERY ENERGY STORAGE INTO DISTRIBUTION SYSTEMS WOULD FACILITATE OR IMPEDE THE IMPLEMENTATION OF CCE OR, CONVERSELY, WHETHER CCE WILL FACILITATE OR IMPEDE THE DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES.

The PUC informational docket will involve broad stakeholder input and expert testimony, and therefore, will provide solid information about the impact of CCE on the solar industry, prior to possible consideration of CCE-enabling legislation in the future. It would seem to be in the best interests of the solar industry to support the CCE Study Bill and then to participate in the docket so that any industry and individual positions on later CCE-enabling legislation would be based on solid information.

14. WHY NOT STUDY ALL OF THE OPTIONS FOR COMMUNITIES, NOT JUST CCE?

This sounds good on the surface. However, when one looks at the details of the various options, the wholesale model of CCE clearly rises to the top. But more importantly, **nothing prevents a parallel investigation of other options**. When powerful entities have strong vested interests in maintaining the status quo, there is a danger that a broad mandate such as "study all the options" is a recipe for

delay, partisanship, and/or hijacking of the process, as opposed to more focused investigations that lead to more objective evidence-based results.

Nonetheless, with that said, let's first review options that could provide local jurisdictions with more choice and control over their energy resource mix:

- **Community Choice Energy (CCE)** -- where a community that is served by an investor-owned utility (IOU) can choose alternative wholesale electricity suppliers, thereby introducing an element of competition and choice into their electricity supply. CCE also allows the community to enable its own energy programs to serve local needs and priorities. The IOU continues to own and operate its transmission and distribution system and manage customer service and billing. Individual customers have the ability to opt out and purchase their electricity as "bundled service" from the IOU if they wish.
- **Community-Utility Partnership (CUP) agreements** -- where utilities and local jurisdictions can come to mutual agreement on energy supply considerations or energy programs subject to certain fundamental requirements that are established in Colorado statutes and regulation, including that the agreement does not shift costs onto other IOU customers, that any additional costs are borne by the community and not the utility, and that the agreement is approved by the Public Utilities Commission (PUC). One example of this approach was put forward in the bill [HB18-1428](#), the "Community Energy Act", which did not pass. Another example is "green tariffs", which traditionally enable large commercial and industrial energy users in monopoly markets to buy renewable energy from specific projects through the utility, but this idea could also be adapted to communities.
- **Municipalization** -- where a community "buys out" the distribution system of the IOU and takes over its full operation, not just electricity procurement, and becomes a new municipal electric utility. CCE is sometimes called "muni-lite" because CCE only involves community control over electricity procurement, but not ownership and operation of the distribution system and customer service and billing.
- **100% Statewide Renewable Energy Standard (RES)** -- where current statutes are strengthened to require all "load-serving entities" in the state – IOUs, electric co-ops, and municipal utilities (and CCE Authorities if enabled) – to acquire 100% renewable energy on some specified timeline. There is already guidance (but not statutory commitment) to 100% renewable energy in Colorado by 2040 specified in the Governor's "Roadmap", but this timeline is too long for many communities, and it doesn't allow for individual community choice and control.

Different options are available to communities served by different types of utilities:

- IOU communities:
 - could choose CCE if enabled at the state level
 - could choose CUP if enabled at the state level
 - municipalization is already allowed by state law
 - 100% RES would be mandatory if enabled at the state level
- Electric co-op communities:
 - CCE is not available to co-ops in the existing CCE states
 - CUP only applies to IOUs
 - municipalization would require exit from both the co-op and its wholesale supplier
 - 100% RES may or may not apply to co-ops depending on the statute language

- Municipal utility communities:
 - CCE and CUP only apply to IOUs
 - 100% RES may or may not apply depending on the statute language

Most of the options apply only to communities served by an IOU. Municipal utilities already have control over their energy supply (within the constraints of current contracts or owned generation). Co-ops as a whole (as opposed to communities within a co-op) have control over their energy supply within the limits of current contracts with their wholesale supplier. Co-ops served by Tri-State, which have 40-50 year contracts and a 5% cap on local generation, can pursue a buyout of their contract with much difficulty, as Kit Carson and DMEA have done, and as LPEA and United Power are now pursuing.

Municipal utilities and co-op communities – in addition to exercising local control that is already within their rights – could pursue other means of decarbonization and cost control, for example, by advocating for the formation of wholesale electricity markets and/or an independent transmission system operator, which would allow for greater grid efficiency, lower wholesale costs, improved renewable energy integration, lower reserve capacity requirements, and greater competition among wholesale suppliers.

Principles for investigating options for more local choice and control:

- Recognize that the various options mostly apply to communities served by an IOU, with one exception (100% RES). Therefore, co-op and municipal utility communities might advocate for increasing the state's RES, and/or advancing the timeline. In addition, non-IOU communities can still benefit from CCE and/or CUP adoption in IOU territory due to indirect effects, such as increased competition leading to lower wholesale prices and increased pressure for a regional market and transmission grid.
- The options are not mutually exclusive. The goal should not be to find the "best" solution, as that could vary between communities or by the definition of "best." The goal should be to consider the pros and cons, and the best design characteristics, of each option. There is nothing to prevent enabling CCE and CUP and a 100% RES statewide, even as a community might choose municipalization for itself. For example, Boulder has recently chosen to support Rep. Edie Hooton's CCE Study Bill even as it continues to pursue municipalization, both in support of the greater good for communities statewide that are unlikely to pursue municipalization, and also as a good "Plan B" for Boulder.
- The options do not need to all be investigated simultaneously in one giant process. Each is at a different stage of knowledge and readiness for implementation. Each requires a focused consideration of its pros and cons and how it could best be implemented. If all investigations are combined together, it could lead to a confusing process and apples-to-oranges comparisons as if the goal is to find one "best" solution, when in fact a more appropriate goal would be to determine how each option would most effectively be implemented in Colorado.

Approaches to investigating each option:

Nothing prevents parallel investigations of multiple options in different ways that are most appropriate for each option. There is a danger that a broad mandate such as "study all the options" is a recipe for delay, partisanship, and/or hijacking of the process, as opposed to more focused investigations that lead to more objective evidence-based results.

- **Community Choice Energy (CCE).** The optimal approach for investigating CCE and how it would work best in Colorado is already in progress, in the form of a "CCE Study Bill" sponsored by Rep. Edie Hooton. This bill has been advanced to the 2020 legislative session as a Committee Bill that was introduced in the IOU Review Interim Committee. CCE is relatively complicated with many details to understand and questions to be answered, and therefore it is appropriate to conduct a rigorous study prior to considering enabling legislation. The CCE Study Bill authorizes two studies:
 - A financial and technical feasibility study conducted by an independent third-party.
 - A PUC informational docket to get input from a broad variety of stakeholders and experts, to address 15 well-considered questions about CCE that are specified in the bill, including lessons learned from other CCE states.

More information about CCE and the Study Bill:

- CCE Study Bill ([PDF](#))
- CCE Overview ([PDF](#))
- Presentation ([PDF](#))
- Example Resolution of Support ([PDF](#))

- **Community-Utility Partnerships (CUP).** Unlike CCE, the CUP idea has previously gone straight to enabling legislation in the form of [HB18-1428](#), the "Community Energy Act", which did not pass. This bill would have benefited from stakeholder input before introduction, and that would be an appropriate path for revisiting the CUP option, perhaps led by, for example, the Colorado Energy Office, or Xcel Energy. CUP does not require the depth of investigation and awareness-raising and education that CCE requires.

An analysis of HB18-1428 with recommended improvements can be found in Section 3.2 of the white paper entitled, "A Strategy and Six Ways to Address Community Energy Goals" ([PDF](#)). Those recommendations could be seen as food for thought on initial stakeholder input toward improving this option. An interested legislator would need to champion CUP legislation.

- **Municipalization.** No legislation is needed for a community to pursue municipalization, as Boulder has been doing for 7 years, and as Pueblo is now considering. Municipalization alone is not a general solution for Colorado communities, as few communities are likely to undergo the long and expensive fight with their IOU that Boulder has experienced, as well as the great expense of buying the distribution system, and the responsibility of owning and operating a municipal electric utility. The appeal of CCE is that a community can pursue only an alternative electricity supply without the more difficult and expensive aspects of municipalizing. However, there are some additional benefits to a city of owning its electricity distribution infrastructure that CCE doesn't offer because CCE still requires working with the IOU on interconnection activities, such as the formation of microgrids or the provision of broadband internet services.
- **100% Statewide RES.** This is a matter of lobbying for enabling legislation, and would also benefit from a stakeholder process to determine the details of the legislation, such as the timeline, and whether it would apply to co-ops and municipal utilities equally to IOUs. An appropriate leader for such a stakeholder process might be the Colorado Energy Office. However, this solution alone is unlikely to be sufficient because many communities want 100% renewable energy as soon as 2025 or 2030, which may be overly ambitious for a statewide goal. It is worth mentioning that individual

communities aggressively pursuing 100% renewable energy goals could act as a catalyst or driver for motivating a more aggressive statewide goal, and also could serve to accelerate the move toward a regional wholesale electricity market, which is highly desirable, if not necessary, to enable 100% renewable energy statewide.

In summary, the options are not mutually exclusive. There is no single "best" solution, as they each have different pros and cons and other characteristics that might appeal differently to different communities. The options require much different levels of detailed knowledge, and a different stakeholder-informed process to determine the optimal characteristics of each option for Colorado.

Focused but separate investigations in appropriate venues are called for.
