

House Bill 20-1064
Public Utilities Commission Study of "Community Choice Energy"
 Representative Edie Hooton

WHAT DOES THE BILL SAY?

HB-1064 authorizes two studies of Community Choice Energy (CCE):

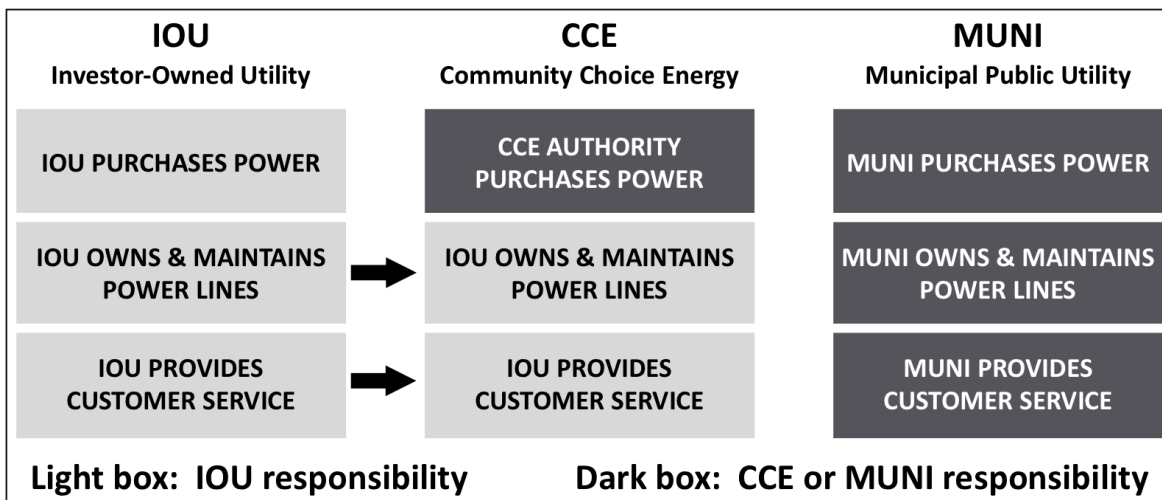
- 1. An informational docket at the Public Utilities Commission (PUC).** This is a public proceeding with invited expert speakers that seeks input from all interested stakeholders about at least 20 topics that concern how CCE would work best in Colorado.
- 2. A financial feasibility study** to investigate how CCE would affect electricity rates for communities that would choose an alternative wholesale electricity supplier. The study would be conducted by a consultant and overseen by the PUC.

The PUC will submit a final report to the legislature that summarizes these studies.

This is a "Study Bill". It does not enable CCE in Colorado. The bill does not change the status quo. Instead, it collects solid information in a transparent process that is needed to understand the challenges and opportunities that CCE could offer to Colorado communities that choose to adopt it.

WHAT IS COMMUNITY CHOICE ENERGY?

- CCE allows communities, or groups of communities, served by an investor-owned utility (Xcel or Black Hills) to choose wholesale electricity suppliers on behalf of their residents and businesses.
- Electricity is still delivered by the utility, which continues to own and operate its power lines and to manage customer service and billing. This differs from a municipal electric utility that is responsible for all the functions of an investor-owned utility, not just electricity procurement. See graphic below.
- Individuals can always opt out of the CCE and purchase their electricity from the utility if they wish.



*Comparison of functions performed by an IOU, a CCE, and a municipal utility.
 CCE concerns only the wholesale power supply.*

A FEW KEY FACTS AND COMMON MISCONCEPTIONS

- **This is a Study Bill, not enabling legislation.** It does not change current statutes or regulations.
 - **CCE has nothing to do with "retail choice" or "deregulation"** as in the 14 states where individuals can shop for their choice of electricity provider. This bill is only about studying the "wholesale, opt-out" model of CCE, where choice is at the community level only.
 - **CCE is for communities of all sizes.** Some medium to large cities may form their own CCE Authority that is governed by City Council; however, the norm in California is for multiple communities and/or counties to form a "Joint Powers Authority" to share administration and combine their purchasing power, governed by a Board of elected officials from each member jurisdiction.
 - **Regarding the impact of CCE on electricity rates, and on Colorado's renewable energy and emissions reduction targets, and many more topics:** Opinions about most topics surrounding CCE in Colorado vary, but all are mere speculation. The purpose of this Study Bill is to get solid answers to key questions based on data and analysis, expert testimony, and broad stakeholder input. We don't need to guess or argue!
 - **Colorado can learn from the experiences of other CCE states.** CCE has great promise for giving local governments more choice and control over their energy sources, energy costs, local energy programs, and local jobs and economic development, but serious study is needed to evaluate whether that promise could indeed be realized in Colorado.
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REASONS TO SUPPORT THIS BILL

- CCE is a promising energy policy that merits serious study to see if it is indeed worth pursuing.
- Dozens of Colorado communities, representing more than a million people, have ambitious renewable energy and greenhouse gas reduction goals, but no way to achieve them. They deserve serious consideration of this proven approach.
- Competition and community choice would drive innovation and efficiency in our wholesale electricity system and thereby reduce costs. Let's study it and figure out the details.
- There is little downside, much potential upside, and very low risk. This bill does not change the status quo.

SELECTED SUPPORTERS

- Colorado Communities for Climate Action (CC4CA)
- Colorado Municipal League (CML)
- Colorado Sierra Club
- Colorado Coalition for a Livable Climate (CCLC)
- Good Business Colorado
- Pueblo's Energy Future
- City of Pueblo
- City of Boulder
- City of Lafayette
- 350 Colorado
- Clean Energy Action
- Together Colorado

*For much more information, please visit ediehooton.com and download the **FAQ**, which has detailed answers to 14 questions about CCE and the CCE Study Bill.*