**House Bill 20-1064**

Public Utilities Commission Study of **Community Choice Energy** (CCE)

Representative Edie Hooton

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**WHAT DOES THE BILL SAY?**

HB20-1064 directs the Public Utilities Commission (PUC) to initiate an informational docket to study Community Choice Energy by considering 20 specified topics/questions about how CCE might work best in Colorado. A PUC informational docket is a transparent public proceeding that invites input from stakeholders and other interested persons, and presentations from experts.

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

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

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**WHAT IS COMMUNITY CHOICE ENERGY?**

- CCE allows cities and counties, or groups of cities and counties, that are served by an investor-owned utility (Xcel Energy or Black Hills Energy) 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 manage customer service and billing. This differs from a municipal electric utility, which is responsible for all the functions of an investor-owned utility, not just electricity procurement. See graphic below.

- Individuals can choose to opt out of the CCE and purchase their electricity from the utility if they wish.

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<thead>
<tr>
<th>IOU</th>
<th>CCE</th>
<th>MUNI</th>
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<tbody>
<tr>
<td>Investor-Owned Utility</td>
<td>Community Choice Energy</td>
<td>Municipal Public Utility</td>
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<tr>
<td>IOU PURCHASES POWER</td>
<td>CCE AUTHORITY PURCHASES POWER</td>
<td>MUNI PURCHASES POWER</td>
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<tr>
<td>IOU OWNS &amp; MAINTAINS POWER LINES</td>
<td>IOU OWNS &amp; MAINTAINS POWER LINES</td>
<td>MUNI OWNS &amp; MAINTAINS POWER LINES</td>
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<td>IOU PROVIDES CUSTOMER SERVICE</td>
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<td>MUNI PROVIDES CUSTOMER SERVICE</td>
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Light box: IOU responsibility  
Dark box: CCE or MUNI responsibility

*Comparison of functions performed by an IOU, a CCE, and a municipal electric utility.*

**CCE only concerns procuring the wholesale electricity 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 among dozens to hundreds of retail electricity providers. This bill is only about studying the "wholesale, opt-out" model of CCE, where choice is at the community level.

• **CCE is for communities of all sizes.** Some medium to large cities may form their own CCE Authority that is governed by their City Council; however, the norm in California is for multiple cities 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 a serious evaluation of this proven approach.

• Competition and community choice would increase efficiency and innovation in our wholesale electricity system and thereby drive down 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 more information, please visit [ediehooton.com](http://ediehooton.com) and download the FAQ, Committee hearing responses, and CCE presentation.