

HB 1365 Will Raise Energy Costs.

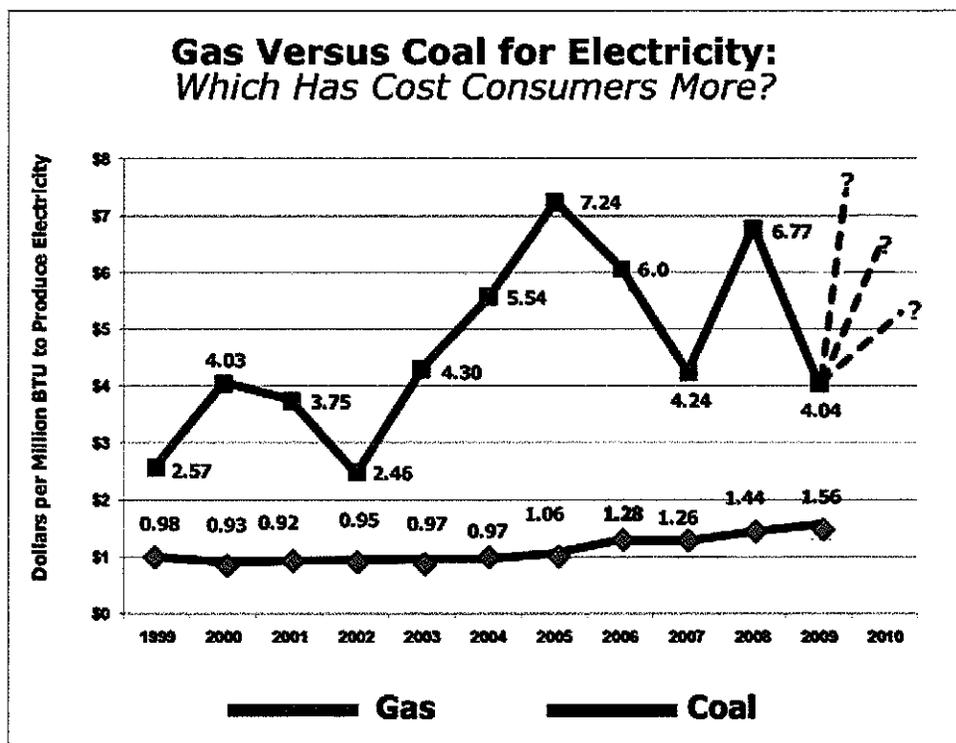
And Low-Income Coloradoans Will Suffer Most.

- ▶ HB 1365 effectively mandates that Xcel Energy switch some of its low-cost coal power plants to more expensive natural gas.
- ▶ Natural gas is historically 300-600% costlier than coal.
- ▶ HB 1365 requires that these increased costs **be passed onto consumers**. Xcel makes a profit even if it turns out that switching to natural gas was a mistake.
- ▶ Higher costs hit low-income Coloradoans hardest, and HB 1365 will make it harder for the working poor to make ends meet in this recession.

We Are Strongly Opposed to this Bill!

All Coloradoans want cleaner air, more jobs, and affordable energy. But we don't want to rely too heavily on any one energy source. America has been burned by that in the past. That's why HB 1365 is flawed. It pushes our state too far, too fast toward a dependence on one fuel -- natural gas -- that is prone to huge price swings.

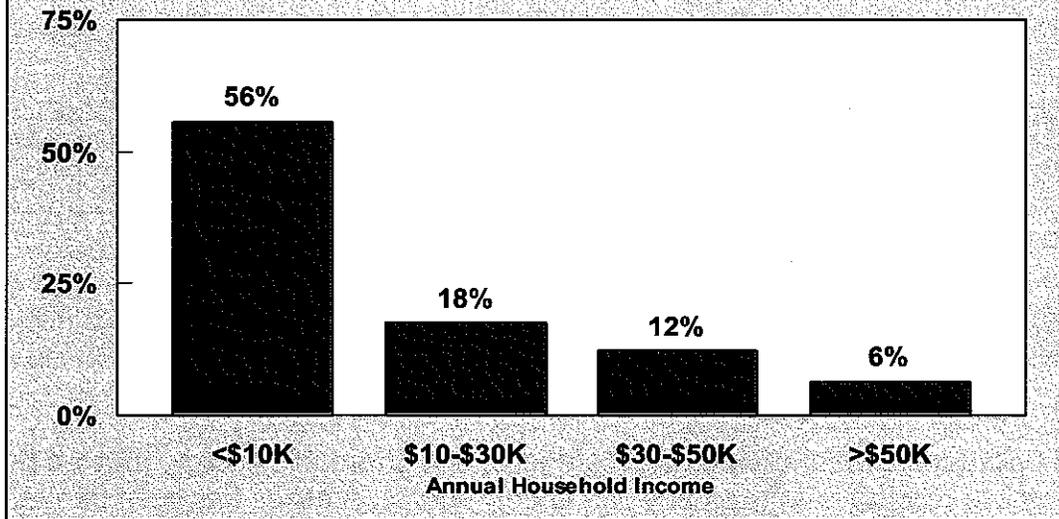
- Natural gas prices have taken consumers on a painful "roller coaster" over the past 10 years, especially when compared to the relatively low and stable costs of coal for electricity generation.
- HB 1365 takes Colorado down the **same path that California has followed** — to disastrous economic results.
- The higher energy prices that would result from HB 1365 will hit **middle-income families and Colorado's working poor the hardest** (see reverse).



Source: U.S. Department of Energy, Colorado data

See more at www.AffordableEnergyColorado.org

Colorado Family Energy Costs as Percentage of After-Tax Income



Higher Energy Prices from HB 1365 Hit The Poor Hardest

- Measured in constant 1990 prices, residential electric rates in Colorado are 17% lower than in 1990, while the price of residential natural gas has increased in real terms by 23%. The relatively low cost of electric power is due in part to Colorado's historic reliance on domestic coal.
- Energy costs are consuming the after-tax household incomes of Colorado's low- and middle-income families at levels usually spent on food, housing, or health care. In 2009, Colorado families spent an average of 7% of their after-tax incomes on energy. The 832,000 Colorado households earning less than \$50,000, representing 44% of households, spent an average 15% of their after-tax income on energy.
- The 361,000 Colorado households with annual incomes of \$10,000 to \$30,000 spent **18% of their after-tax family budgets on energy.**
- The 114,000 poorest families in Colorado, below the federal poverty line and earning less than \$10,000 per year, are being squeezed hardest by recent energy cost increases. Many of these families received state energy assistance to help reduce the burden of higher energy costs. Yet for most lower-income families and for the 390,000 Colorado households receiving Social Security, **the critical choice today is between fuel and basic necessities such as food and rent.**

Source for all points above: "Energy Cost Impacts on Colorado Families, 2009", Eugene M. Trisko, 2009

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