

HOUSE BILL 15-1250
A BILL FOR AN ACT CONCERNING A DIRECTIVE TO EXPLORE
PERFORMANCE-BASED 102 REGULATION OF INVESTOR-OWNED UTILITIES.

Mr. Chairman and Members of the Committee: I appreciate the opportunity to testify. Thank you to our legislators for introducing this bill. I speak as a mother, grandmother and a public health worker concerned about the quality of life for future generations.

Though I agree with all of the “public objectives for measurement of performance” I am mostly drawn to those maximizing the diversity of generation (through development of renewables) utilizing centralized *and* distributed resources, and minimizing consumer risks including health and environmental risks, pollution and greenhouse gas emissions,

To achieve these policy objectives, the Public Utilities Commission (the Commission) is called upon to conduct an investigation that would include (among other things) recommendations that will align utility **earnings** with these **objectives**, and allow utilities to be profitable while reducing carbon emissions (in terms of wording, the word “greenhouse gas emissions” is more inclusive than “carbon emissions” (Section (3) (a) VIII (b)(IV) which excludes methane).

Performance evaluation metrics would be developed, new models of service, new rate structures and standards developed and implemented.

Regarding greenhouse gas emissions and public health, Colorado continues to be reliant on coal with natural gas being aggressively developed. In 2013, 64% of the electricity generated in Colorado came from coal and 20% from natural gas (<http://www.eia.gov/state/?sid=CO>).

This is in spite of the fact that, Xcel’s own CEO (Ben Fowke) has stated that “wind power is simply the most affordable energy resource right now” (*Solutions*, Fall 2013, Environmental Defense Fund).

Coal-fired plants are the leading contributor to global warming. They emit particulate matter, sulfur dioxide, nitrogen oxide, mercury and fifty other air toxics. They are the

single largest source of mercury emissions in the U.S. (*Coal Ash: The Toxic Threat to Our Health and Environment*, Physicians for Social Responsibility).

Coal plant emissions damage cardiovascular and respiratory health and threaten healthy child development. Nationally, as many as 600,000 children are born each year with dangerous levels of mercury in their bodies. These children are more frequently from poor and/or minority communities (*Coal Ash: The Toxic Threat to Our Health and Environment*, Physicians for Social Responsibility). The Cherokee, Comanche, and Tri-State plants alone produce some 962,000 tons of coal ash annually, much of which is stored in unlined ponds.

Regarding profits, a 2014 Xcel report showed earnings on electric energy in Colorado exceeded the maximum profit set by the Commission by more than 11 percent (May 8, 2014, Boulder Weekly News). Colorado Xcel's pre-tax profits grew from \$316 million to \$691 million between 2003 and 2012 (Empower our Future <http://empowerourfuture.org/wp-content/uploads/2013/08/EOF-White-Paper-1-Xcel-profits-Boulder.pdf>)

All of the above have happened under the watch of the Commission. I have concerns about the Commission's willingness to respond to the stated public objectives. Commissioner Epel is employed by Midstream, a large natural gas company. Commissioner Vaad is known for his association with the American Legislative Exchange Council (ALEC), an organization that states "*Climate change is a historical phenomenon and the debate will continue on the significance of natural and anthropogenic contributions.*" Mr. Vaad opposed legislation that raised Colorado's renewable energy standard and opposed an effort to allow the PUC to consider carbon costs in resource planning decision.

So how much profit will the Commission allow? And at what cost to our health and the environment? This legislation calls upon the Commission to seek public and industry

comments. When public and industry comments are in conflict, which will be acted upon?

I fear that the Commission's report, not due until October 1, 2016 will bring us nothing new.

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