



**Testimony**  
**Tom Easley, Director of Programs,**  
**The Rocky Mountain Climate Organization**  
**Before the House Transportation and Energy Committee**  
**February 5, 2009**  
**House Bill 10-1001**  
**Concerning Increases in the Target Percentages**  
**Under the Electric Utility Portfolio Standard**

On behalf of the Rocky Mountain Climate Organization (RMCO), I am testifying in support of House Bill 10-1001. This bill is the most important step that the General Assembly can take this year to reduce Colorado's contribution to climate disruption.

HB 10-1001 largely implements one of the most important recommendations of the blue-ribbon Climate Action Panel (CAP) that RMCO convened to recommend ways to reduce our state's contributions and vulnerabilities to climate change. Governor Ritter has adopted as state policy the emission-reduction goals recommended by the Climate Action Panel. RMCO now supports actions to reach those goals, including both the action items in Governor Ritter's Colorado Climate Action Plan and the other actions recommended by the CAP.

First, though, some background on RMCO and our Climate Action Panel. RMCO is a mainstream coalition with 26 partner organizations, including 14 local governments, Colorado's largest water provider, 5 businesses, and 6 nonprofit organizations. We work to keep the West a special place by reducing climate disruption and its effects here.

RMCO convened the Climate Action Panel to recommend actions to reduce Colorado's contribution and vulnerability to climate change. Patterned after projects to develop climate action agendas in other states, including many in the West, the Climate Action Panel was the first in the nation to be convened by a non-profit organization. We designated as Project Directors Mayors John Hickenlooper of Denver, Doug Hutchinson of Fort Collins, and Steve Burkholder of Lakewood; Summit County Commissioner Tom Long; Matt Baker of Environment Colorado; former Senator Gary Hart, now at the University of Colorado-Denver; Gail Klapper of the Colorado Forum; Pat Vincent, then the head of Xcel Energy's operations in Colorado; and Al Yates, the former president of Colorado State University. The Project Directors then appointed 34 leaders from the state's public, private, and non-profit sectors to serve on the Climate Action Panel. Additional experts and representatives of various sectors in the state assisted the panel by participating in six Policy Work Groups that developed draft recommendations for the consideration of the full panel. Altogether, considering members and alternates of the panel and the Policy Work Groups, 116 Coloradans worked for a year to develop the panel's recommendations. They were supported by technical and cost-effectiveness analysis provided by a team of substantive experts working for the Center for Climate Strategies, just as similar state-government panels across the country have been supported by CCS and its experts.

The CAP recommended 70 actions to be taken in Colorado, consisting of 55 recommendations to reduce heat-trapping greenhouse gases—one of which is partially implemented by HB 10-1001—and 15

recommendations to prepare the state for the changes that may be coming. The year-long process built a strong consensus, with 61 of the 70 recommendations agreed to unanimously, with seven others agreed to by super-majority votes (with five or fewer dissents). As Doug Hutchinson, the mayor of Fort Collins who served as one of our Project Directors – and who is a Republican – said of the Panel’s recommendations, “This effort is bipartisan and it is balanced.” The Panel’s full report is available at [www.coloradoclimate.org](http://www.coloradoclimate.org).

The centerpieces of the CAP recommendations and the official Colorado Climate Action Plan that Governor Ritter announced right after the panel’s report are identical. As recommended by our panel, Governor Ritter adopted as state policy the goals of reducing Colorado’s emissions of heat-trapping gases 20 percent by 2020 and 80 percent by 2050, compared to 2005 levels. Achieving the 2020 goal will require a 37 percent reduction in the emissions that are forecast to otherwise occur that year under laws and practices in effect in September 2007.

To continue the consensus-building success of the CAP, RMCO is now in the second stage of the Colorado Climate Project, in which we are continuing to work with diverse organizations and interests to flesh out details for implementation of the CAP recommendations, to build broad public support for those recommendations and for the Governor’s Climate Action Plan, and to get them adopted.

One of the most important steps to achieve the state’s goals for reducing heat-trapping gases is to strengthen by 50 percent the current renewable portfolio standard (RPS), as recommended by the Climate Action Panel in its recommendation numbered ES-2. That recommendation, alone, would achieve an estimated 9 percent of the emission reductions needed to meet the state’s goal for 2020. That represents an estimated reduction in carbon dioxide emissions of 4.9 million metric tons in the year 2020, compared to emissions under current law (including under the current RPS). The costs of achieving this reduction were estimated to be \$16 per ton of carbon dioxide avoided. The analysis done for the Panel also suggested that utilities complying with the strengthened RPS would not build any more new coal-fired power plants in the state before 2020 and would instead meet their new energy supply needs with clean sources.

This recommendation was approved by the Climate Action Panel by a super-majority vote, with only three dissents. One of those dissents was because of a particular element of the Panel’s recommendation that is not included in the legislation before you today: a requirement that no more than 85 percent of the clean energy used to meet the renewable portfolio could come from large wind facilities (a requirement intended to ensure that other clean sources are also promoted). The two other dissents were primarily on the grounds that more experience should be gained meeting the current RPS standard before it is strengthened. One additional vote was what the Panel characterized as a qualified approval – not a vote against the recommendation itself but an expression of concern about some particular element of it or the analysis on which it was based. In this case, the concern expressed was that more analysis should be conducted before the RPS is changed.

The full analysis on which the Panel relied, its reasoning, and the grounds for the three dissents and the one qualified approval are all spelled out in the Panel’s report.

The recommendation to strengthen the RPS by 50 percent was made based on the Panel’s overall evaluation of the state’s emissions of heat-trapping gases and the best ways to reduce them.

To begin with, what we do here in Colorado matters. According to the emissions inventory and forecast prepared for and considered by the Climate Action Panel (and the Colorado Department of Public Health and Environment), our state’s emissions of heat-trapping gases grew by 35% between 1990 and 2005, slightly more than twice the national average of 16%. Colorado’s emissions growth was driven largely by

the growth of Colorado's population, as the state's emissions on a per-capita basis stayed essentially constant between 1990 and 2005. Under current law as of mid-2007 – after the current RPS was established – our emissions are projected as rising fairly steeply through 2020, when they are projected to be 71% over 1990 levels.

One way to put our emissions in context is that if Colorado were a separate nation our emissions of carbon dioxide from fossil fuels are less than those of only 38 nations in the world and more than 174 nations.

The good news is that there are many things we can do to reduce Colorado's emissions of heat-trapping gases – not only without overall harm to our state's economy but actually with net economic benefits. The Climate Action Panel decided that reducing the state's emissions to 20% below 2005 levels by 2020 is realistic, achievable, and in our state's best interests.

Of the 55 recommendations made by the Panel related to emissions reductions, 33 were analyzed quantitatively in terms of their effects on emissions. Those 33 alone would achieve three-quarters of the reductions needed to meet the 2020 goal recommended by the Panel and adopted by the Governor. Other recommendations that were not analyzed quantitatively would also lead to emission reductions. Actions by the federal government also can reduce emissions. The Panel concluded that emissions can be reduced enough to meet the goals.

The best news is that taking the steps recommended by the Panel would strengthen Colorado's economy. Of the 33 measures that were analyzed quantitatively, 27 were analyzed in terms of their cost-effectiveness. As a whole, those 27 actions would save Coloradans a total of \$2.6 billion by 2020. Additional economic benefits would also accrue to the state in terms of job creation, as taking the actions recommended by the Panel would make Colorado a leader in the new energy economy that is rapidly evolving in the nation and the world.

Doing our part to reduce emissions is also important to reduce Colorado's vulnerabilities to a disrupted climate. Probably the most important of those vulnerabilities is a likely decrease in water supplies. Although there is a range of projections about the possible effects of an altered climate on our water supplies, most projections are for decreases in overall water flow. In particular, every study done so far has projected a decrease in Colorado River flows. If that occurs, it will be that much harder to meet our state's water needs, especially as our population continues to grow. Among the many other likely impacts here of climate change are increases in insect infestations in our forests, such as the mountain pine beetle epidemic now killing virtually all of the mature lodgepole pine trees in the state; more wildfires; more heat waves; and more prevalence of illnesses such as West Nile disease. What we do in Colorado, by itself, obviously cannot be enough to prevent those impacts. But we certainly can, and should, do our share. And we can help lead the way and show the nation and world what can be done.

Let us be clear that, although there are many benefits to the actions that we can take here, such as those recommended by our Climate Action Panel, neither these actions nor the benefits flowing from them will occur automatically. Under current law – including under Colorado's current renewable portfolio standard – our emissions of climate-changing pollutants are projected to continue rising. It will take many new policies and many new actions to reduce emissions enough to meet Colorado's official state goals.

To meet those goals, the adoption of new policies to reduce emissions of heat-trapping gases from the ways we meet our energy supply needs must play a key role. The inventory and forecast of greenhouse gas emissions that was performed for the state government and the CAP showed that in 2005 about 37 percent of total emissions came from electricity consumption. By 2020, this sector's emissions are

projected to rise 23 percent, even after accounting for the current renewable portfolio standards for electricity utilities.

Recognizing the importance of reducing emissions from the energy supply sector, the CAP adopted fifteen recommendations that together would reduce the state's greenhouse gas emissions by about 9 million metric tons of carbon dioxide by 2020. Six of those measures were quantified in terms of reductions of emissions of heat-trapping gases; in addition to the recommendation to raise portfolio standards for electric utilities, those measures included facilitating combined heat and power systems for large businesses and institutions; mapping sources of renewable energy, particularly regarding hydropower opportunities; increases in the efficiency of electricity generation; reduction of emissions from oil and gas operations; and performance standards for new power plants. By far the most effective of that suite of recommendations is the increase in the electric utility portfolio standards. As I have already pointed out, it alone would reduce emissions of carbon dioxide by 4.9 million metric tons, or about 9 percent of the total amount needed to meet the overall 2020 goal of a 20 percent reduction in heat-trapping emissions compared to 2005 levels. Of all the recommendations recommended by the Climate Action Panel, it is the second most effective in reducing emissions by 2020. The only recommended action that would do more to reduce emissions is the Panel's proposal for additional "demand side management" action to reduce energy use by utility customers. (The Colorado Public Utility Commission has already taken some important actions to begin implementing that recommendation.)

HB 10-1001 would implement the CAP recommendation with respect to investor-owned utilities. It would increase the renewable portfolio standard that applies to them to 30 percent by 2020, a 50 percent increase in the current law's requirement that they get 20 percent of the power they produce for retail sales in Colorado from renewable sources by 2020. The CAP recommendation also includes a 50 percent increase in renewable portfolio standards for rural electric cooperatives and municipal utilities, to 15 percent from the current standard of 10 percent. That element of the Panel's recommendation is not included in HB 10-1001, which only applies to the state's two investor-owned utilities. As a result, HB 10-1001 would achieve most, but not all, of the emission reductions that would result from the Panel's full recommendation. We hope to have the future opportunity to support legislation that would accomplish the other elements of the Panel's recommendation.

We enthusiastically ask for your support of HB 10-1001 and thank you for the opportunity to offer our testimony.