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Capitol gung-ho on green

Collection of energy bills moving forward

By Gargi Chakrabarty, Rocky Mountain News
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"Green" energy is the state Capitol's new mantra.

More than a dozen bills aiming to transform Colorado into the green energy capital of the nation are wending their way through the legislative process, inching toward Gov. Bill Ritter's desk for his blessing.

Bills that double Colorado's current goal for electricity from renewable resources, help build power lines to carry wind energy, require gasoline to contain a certain amount of ethanol and have new homes and buildings comply with energy efficiency codes.

Ritter is expected to approve most of the major renewable energy and energy efficiency bills. He promised voters last year he would transform Colorado into a new energy economy that depends less on foreign oil or pollution-causing fossil fuels.

"Even if Saudi Arabia turns on the oil spigots, we have passed the tipping point," said Tom Clark, executive vice president of the Metro Denver Economic Development Corp. "This movement toward alternative fuel is not going to be derailed even if we have to pay (more) for it."

The legislation will create thousands of jobs, save millions of dollars in energy costs, reduce emission of harmful pollutants in the atmosphere that cause global warming and pump billions of dollars of new investment into the state economy, proponents say.

But Coloradans will have to bear the cost of transformation.

Electric customers likely will see an increase in their monthly bills, while new homeowners might have to deal with higher mortgages - although they are likely to see payback through energy savings within five to seven years.

"We are changing directions in terms of our energy use, and anytime you change directions, there is a cost involved," Clark said.

Cost remains a concern for many critics.

The Intermountain Rural Electric Association opposes House Bill 1281 - the centerpiece of Ritter's promise of a new energy economy - over concerns that it would increase customers' electric bills.

The bill would require Colorado utilities to get 20 percent of their electricity from renewable sources by 2020 - double the goal of 10 percent by 2015 that was set by Amendment 37, which voters passed in November 2004.

Although the bill caps the cost to customers at 2 percent of a monthly bill (1 percent for rural electric co-op



Illustration: Amy Speer © News

Colorful Colorado sign with the word "Green" graffitied over the word colorful.

customers), IREA spokesman Stanley Lewandowski said he has written to Ritter asking that the co-op be allowed to opt out of the proposed legislation.

Unlike other utilities, Intermountain didn't raise electric rates from 1982 through 2004, is returning \$9 million to its 134,000 customers and is lowering rates by 4 percent effective July 1, Lewandowski said.

"I am sending customers money back, and guys that have a lot of wind energy are raising rates," Lewandowski said. "So I must be doing something right."

Proponents say renewable energy and energy conservation are the cheapest and most reliable ways to increase electricity supply in the coming years, given the unstable price of fossil fuels such as coal, oil and natural gas that were the primary sources of electricity in past years.

Xcel says wind energy saved its customers \$14 million in 2004 and 2005. A local wind industry lobby estimates wind energy will save customers \$251 million in the next 20 years.

Will Coyne, legislative lawyer for Environment Colorado, said the proposed legislations will play a important role in the future as Colorado prepares to meet the energy demand from the million- plus people expected to move to the state between now and 2025.

"Renewable energy has three things when it comes to cost," Coyne said. "We can diversify the source so that we are not reliant on any one source such as coal; there is no fuel cost; and, finally, we can avoid the future cost of global warming pollution such as (potential) carbon taxes."

Renewable energy bills

1. House Bill 1281: Requires larger investor-owned utilities to get 20 percent of their electricity from renewable resources through 2020. The target is 10 percent by 2020 for rural electric co-operatives. Could reduce energy costs, increase total wages paid to workers by \$570 million, increase Colorado's share of national gross domestic product by \$1.9 billion and generate \$400 million in property taxes through 2020.

Status of bill: Passed House, expected to pass Senate this month.

Impact on customers: Caps the cost to customers at 2 percent of a monthly bill for larger investor-owned utilities, such as Xcel and Aquila, and at 1 percent for rural electric co-operatives.

2. Senate Bill 100: Requires large investor-owned utilities to provide a report to regulators every two years identifying renewable resource zones where new wind, solar and other renewable energy projects are hampered due to a shortage of transmission that would deliver electricity to populated areas. Allows utilities to propose transmission plans. Estimates an investment of \$2 billion in transmission lines over the next 10 years to meet Colorado's growing electricity demand.

Status of bill: Passed both Senate and House, headed to Gov. Bill Ritter's desk.

Impact on customers: Electric customers would have to pay the cost of new transmission lines.

3. Senate bill yet to be named: Would require gasoline sold in Colorado to contain 10 percent ethanol and diesel to contain 2 percent biodiesel. But the biofuel standard would go in to effect only if the statewide supply of ethanol and biodiesel reach a certain level (that's yet to be decided) so that the standard does not create a supply crunch and push up the price of ethanol at the pumps or corn feed for cattle farmers.

Status of bill: To be introduced by March 14.

Impact on customers: Would depend on the price of gasoline and diesel, and whether ethanol or biodiesel are respectively cheaper than gas or diesel.

Energy efficiency bills

4. House Bill 1037: Enables utilities to establish energy efficiency programs, including paying rebates to customers who install energy efficient natural gas appliances in order to reduce utility bills. Estimates that energy savings from 2008 through 2020 would be equal to the natural gas consumption of 165,000 households on average and result in economic benefits of about \$600 million.

Status of bill: Waiting to be heard in House committee.

Impact on customers: Customers would have to pay an estimated 40 to 50 cents per month on their natural gas bills.

5. House Bill 1146: Requires any municipality or county that has a building code standard to incorporate an energy efficiency standard that, at a minimum, is the International Energy Conservation Code 2003 standard. An environment group estimates if the bill impacts at least 20 percent of new homes and commercial buildings, the savings on utility bills from 2008 through 2020 would be \$500 million.

Status of bill: Passed House, likely will pass Senate this week and head to Ritter's desk before the end of the month.

Impact on customers: Initial cost of building a 2,200-square-foot home, for example, would increase by \$1,800, and that translates in to a mortgage increase of \$137 per year. But it would save \$261 in energy costs each year, and a new homeowner likely would see payback in seven years.

6. Senate Bill 51: Requires any new building or renovated building whose total project cost includes 25 percent or more in state funds to be certified as high-performance building as defined by the Green Building Council. High-performance buildings use 37 percent less energy and 42 percent less water.

Status of bill: Passed Senate on Monday, headed to House.

Impact on customers: Fewer tax dollars going into utility bills of public buildings. Encourage local production of renewable building materials.

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