

COLORADO SENATE COMMITTEE ON TRANSPORTATION AND ENERGY

Written Proponent Testimony of Jerome Tinianow: SB21-200
On Behalf of Conservation Colorado

April 20, 2021

I am submitting this written testimony on behalf of Conservation Colorado in support of SB21-200. It supplements my oral testimony given before the Committee today.

SB-200 addresses climate change. I have substantial experience creating and implementing successful strategies to reduce greenhouse gas emissions. Before opening my consultancy, Western Urban Sustainability Advisors (WestUrb.com), I served for seven years as Denver's Chief Sustainability Officer (2012-19).

I guided the development of the city's 2020 Sustainability Goals and the strategies we implemented to try to achieve them. One goal was to reduce our community greenhouse gas (GHG) emissions back to their level in 1990. We believed that Denver could operate in 2020 with no more GHG emissions than it had produced in 1990, even though its population and economy had grown substantially since that time.

In 1990 Denver's total emissions were 11.8 million metric tons of CO₂ equivalent (mtCO_{2e}). By 2013 our emissions were more than one million tons higher. Many said we could not get back down to 1990 levels in seven years. Our population was growing at nearly two percent per year, and the economy was recovering rapidly from the 2007-09 recession. Surely, we were told, if we tried to scale back emissions, our recovery would unravel, and we would start shrinking instead of growing.

In 2018, however, two years ahead of schedule, Denver's GHG emissions were back down to the 1990 level. By the end of 2019, before the pandemic-related recession hit, they were even lower, down to around 9 million mtCO_{2e}, more than 20% below the 1990 level. And the city was still growing, its economy was still humming.

I mention this not as a means of self-glorification. GHG reductions are never the product of a single person. They always require a team effort.

My point is that Denver defied the conventional wisdom that a place had to choose between its economy and the environment. Those who opposed efforts to reduce GHG emissions rapidly said that doing so would ruin the economy. They were wrong. Denver successfully disconnected growth from GHG pollution.

If Denver can do this, others can as well. Colorado can.

Unfortunately, Colorado is starting from behind. In December 2020 the Environmental Defense Fund (EDF) reported that among states like Colorado that had set GHG reduction goals, only a handful were on track to meet their 2025 goals. Colorado was not

among them. No state was on track to meet its 2030 goal – not Colorado, and not anyone else.

So Colorado is behind. Denver’s experience, however, shows that it can catch up.

Colorado set GHG reduction goals for the first time in 2019, through HB19-1261. The goals were ambitious. They matched the reductions called for by the Intergovernmental Panel on Climate Change (IPCC) for 2025 and 2030.

The Polis Administration admits that Colorado is not yet on track to meet these goals. The climate change roadmap it released earlier this year acknowledged that the legislative and administrative actions taken through the end of 2020 would only get Colorado halfway to its goals.

More is needed from our state government – new regulations, new legislation and new appropriations. The roadmap identifies a number of near-term (2021-22) actions that Colorado needs to take to get back on track. We need to do all of them. The roadmap does not include a margin for error. The climate doesn’t care how ambitious we are or how hard we try, if we miss the mark.

We support SB21-200 because it not only fills in the legislative gaps identified in Colorado’s climate change roadmap but goes beyond that by including additional measures, such as new fees on GHG emissions and enforceable caps on emissions from certain sectors. These additional measures are critical. Even the most carefully crafted strategies rarely work out entirely as anticipated. We need enough strategies in the mix to ensure success even if some don’t work out as well as we think they will.

The IPCC has identified the upper limit of GHG emissions humans can put into the atmosphere without pushing our climate beyond a troubling 1.5 degree centigrade warming or a truly dangerous 2.0 degree warming. The IPCC knows how little time we have left to get below that limit. Atmospheric concentrations of GHGs are currently at the highest level in the past three million years and growing. Our species has never lived in such a climate, because we weren’t around three million years ago. Our built environment was not designed for it.

Colorado can’t solve this problem on its own. We’re too small; we have less than one tenth of one percent of the world’s population. But Colorado also can’t rely on other places to solve it if we don’t do our part – and “our part” requires us to achieve the reductions called for by the IPCC, both in amount and on time.

Climate change is a global problem. There is just one atmosphere. If Colorado falls short of the IPCC targets, some other place is going to have to exceed the targets to make up for us; otherwise, we as a planetary society will miss those targets.

If Colorado falls short, what gives us the moral authority to ask other places to do better?

This sentiment is at the core of Conservation Colorado's support for SB21-200. The bill fills the short-term legislative gaps identified in Colorado's climate change roadmap. More importantly, it incorporates essential redundancy by adding requirements beyond those outlined in the roadmap. If enacted, it will position Colorado to be a credible advocate for similar actions by other states, our country and the world as a whole.

SB21-200 does not fill all of the gaps identified in the roadmap. The roadmap also identifies many other administrative and regulatory actions, energy utility actions and commitments of financial resources. All are necessary. If the General Assembly wants those actions and resources to be committed by our state agencies and utilities, it has to enact legislation at least as stringent as SB 200 now. Failure to do so will give state agencies and energy utilities an excuse to avoid fully implementing the actions that the roadmap allocates to them.

A roadmap merely describes how we could make a trip. It provides no assurance that we actually will make the trip. SB 200 offers the needed assurance.

Some in our state believe that the roadmap and SB 200 go too far; that they will place too great a burden on our economy. I heard similar concerns when we first announced our ambitious 2020 GHG reduction goals in Denver. We were told that we would either fall short or tank our economy, or possibly both. Our downtown would empty out as offices of extractive industries would flee to more friendly venues.

Over my seven years in office, however, we proved that those concerns and those dire forecasts were unwarranted. As of the end of 2019 we had blown through our GHG reduction goals, and our economy and our downtown were still thriving.

I don't mean to minimize the distress felt by some on the Western Slope and in the "fracking belt" in Eastern Colorado. They have enjoyed good-paying full-time jobs with benefits for a long time. It's unrealistic to expect that those jobs will suddenly be replaced by some sort of "coding" work in the information economy. We can talk about all of the jobs in Colorado's vibrant outdoor recreation industries, but those jobs don't offer the same pay and benefits. They are often part-time or seasonal.

We need a just transition to the next energy and mobility economy. We need to ensure that those who built the last one have a place in the next one, and that the cost of this transition is not placed on those in Colorado who are least able to afford it.

Whenever anyone proposes a significant new policy like SB 200, those who support it argue that it will create jobs, and those who oppose it argue that it will kill jobs. Both sides are always right. With or without government action, our economy is global and dynamic. Jobs are being lost and created all the time. It's not the role of government to enshrine the status quo in the face of unstoppable change. If it were, we would still see Blockbuster Video stores in every shopping center and pay phone booths on every corner.

Rather than resisting change, government should manage it so that there are more winners than losers, with the losers having a quick path to becoming winners again.

There is ample evidence that new jobs in the energy and manufacturing sectors – full-time, year-round jobs with benefits like the ones that workers in the coal and natural gas industries will lose – can come to Colorado as part of a just transition:

- Newpoint Gas, LLC, and Brooks Energy Company have signed a letter of intent to convert Tri-State Generation and Transmission Association’s Escalante coal-fired power plant in New Mexico from 24/7 coal to 24/7 zero-carbon-emission dispatchable power. This technology could give new life to coal-fired power plants in Colorado that are facing closure.
- Lightning eMotors is manufacturing electric freight vehicles from a 231,000 square foot plant in Loveland and has taken a right of first acceptance for an additional 500,000 square feet of manufacturing space for its rapidly-expanding business. As we transition from gas-powered to electric vehicles, we can manufacture those new vehicles right here in the Centennial State.
- USA Rare Earth is opening a rare earth and critical minerals processing facility in Wheat Ridge. These minerals are key components of batteries, windmills, solar panels and other devices central to the deployment of renewable energy technologies and electric vehicles. The Biden Administration is pushing to reduce dependence on foreign (primarily Chinese) sources of rare earth metals by shifting greater production and processing to the U.S. The Trump Administration had already developed a strategic plan to make this happen. Colorado is well positioned to play a major role in this new version of American energy independence.

Colorado history is filled with numerous examples of successful transitions from one dominant industry to another. SB 200 will foster the next transition, a just transition that will surely have a bright future for those displaced from extractive energy industries. We just need to be proactive in guiding that transition.

We urge you to get Colorado on track to meet its admirable GHG reduction goals by enacting SB 200 in full. Please don’t scale it back.

Jerome Tinianow, Proprietor
Western Urban Sustainability Advisors, LLC
WestUrb.com
Jerry@WestUrb.com

Madam Chair, committee members, I urge you to support SB21-200. Colorado's air is unhealthy and this bill will help lower emissions, thus increasing our health. It will also help some of the most toxic-air-impacted communities by creating an environmental justice advisory board and ombudsman position in the CDPHE.

While much about this bill is important and necessary for Colorado, it does not go far enough. The climate crisis requires that we move more swiftly towards greenhouse gas emissions reductions. We have all experienced the effects of the climate crisis in the form of more severe wildfires and the ongoing aridification of the West. We are not just in a temporary drought, less water will continue to be the new normal due to higher temperatures, less snowpack and quicker melting. As you know, this is harming our ski industry as well as outdoor recreation.

Please support any amendments that would strengthen this bill in the following areas: 1) more stringent emissions reduction targets; 2) requiring the true effects of oil and gas to be counted, meaning all oil and gas produced, not just that used in this state. GHG emissions do not respect state boundaries, therefore exported oil and gas needs to be considered in lowering emissions; and 3) earlier target dates for emissions reductions and power utilities switching to renewables.

The climate crisis can't wait. Our children and grandchildren demand we act. Please support this bill and any strengthening amendments.

Thank you,
Ellen Buckley

RESOLUTION NO. 21-_____

**THE BOARD OF COUNTY COMMISSIONERS
OF PUEBLO COUNTY, COLORADO**

A RESOLUTION OPPOSING THE PASSAGE OF SENATE BILL 21-200

WHEREAS, in a bold effort to address climate change, the Colorado the General Assembly in 2019 passed SB 19-236 and HB 19-1261 as a historic climate package that put Colorado on the map as one of the most aggressive emission reduction trajectories in the country; and

WHEREAS, these two bills balanced all of the key considerations in meaningful climate action and created a framework to reduce emissions while simultaneously prioritizing energy reliability. These bills also provided protections for the workforce and communities affected by the clean energy transition; and

WHEREAS, SB 21-200 requires 95 percent emission reductions statewide from 2035 to 2039 and a zero-emission system for all utilities in the state by 2040. Achieving these reductions would require Comanche 3 to close by or before 2035; and

WHEREAS, last month Xcel Energy proposed an Electric Resource Plan (ERP) that would close Comanche 3 by 2040. The Pueblo Board of County Commissioners is evaluating Xcel's ERP and fears that it will have significant negative effects for Pueblo County including the loss of good paying jobs and the loss of the property tax base which provides the majority of the revenue for the County's 2016 1A Community Improvement Program; and

WHEREAS, the Xcel Energy ERP includes testimony from seventeen witnesses and thousands of pages of analysis regarding emissions and financial considerations. Instead of allowing all stakeholders, including Pueblo County, to evaluate the Xcel Energy ERP, SB 21-200 takes a much different approach than the balanced framework previously passed by the General Assembly in 2019 and changes the rules in the middle of the process; and

WHEREAS, while the bill includes a few environmental justice components, at its core the bill is a pure emission reduction measure that sets hard targets for sectors across the economy, including new and more aggressive targets for the power sector without the careful consideration given in 2019 to the workforce, affected communities and energy equity. SB 21-200 proposes to establish an "equity commission," however, this commission will have no power or ability to replace the tax base in Pueblo County, provide good paying jobs that are careers for our workers or help Pueblo or other communities in the same situation; and

WHEREAS, SB 21-200 will accelerate the closure of Comanche 3 and it provides no reasonable timeline and no tools for the Pueblo community to continue its transition to a new, clean energy-driven economy for southern Colorado. SB 21-200 ignores the importance of Comanche 3 to the financial and economic health of our community; and

RESOLUTION NO. 21-_____ (CONTINUED)

WHEREAS, SB 21-200 is designed to undo the 2019 plan and instead prioritize a tag-line of “coal free by 2030,” over common sense solutions to responsibly phase out Comanche 3; and

WHEREAS, Comanche Station, which includes Comanche 3, is a major employer and drives \$15 million in tax revenue annually to our region. This is not the time to levy new taxes on emissions and accelerate environmental timelines to close Comanche 3 even sooner than previously planned. The loss of these good paying jobs and property tax revenue in the time frames required by SB 21-200 would be devastating for our community; and

WHEREAS, Colorado should be ambitious in its efforts to address climate change, but we cannot devastate the economy while doing so. SB 21-200 appears to be implicitly designed to close Comanche 3 as soon as possible without any consideration of the workforce and community impacts that were included in the 2019 climate package; and

WHEREAS, the Xcel Energy Resource Plan/Clean Energy Plan (“ERP/CEP”) demonstrates that Comanche 3 can continue to be an anchor for low-cost power on the system and an economic anchor for the community while making aggressive progress towards emission reduction goals. SB 21-200, on the other hand, is designed to jettison these types of win-win solutions for affected communities like Pueblo in the name of achieving emission reduction at any cost and without any consideration given to degraded reliability and the workers and communities that will be affected by the aggressive action it forces; and

WHEREAS, in 2019 Colorado created a plan to reduce emissions the right way. SB 21-200 is the wrong approach for Colorado. It unwinds all the work that has been accomplished and superimposes a new framework that is blind to reliability and affordability considerations; and

WHEREAS, the power sector has and is delivering on the commitments codified in SB 19-236 and HB 19-1261. The Xcel ERP/CEP, as an example, goes beyond the clean energy targets for 2030 codified in SB 19-236 and is projected to achieve an 85% emission reduction by 2030; and

WHEREAS, Pueblo County and its citizens want to do their part in reducing emissions. We already agreed to the early closure of Comanche 1 and 2. The aftermath of Clean Air Clean Jobs in 2009 lead to Pueblo County’s citizens having the highest electric rates in the state. In fact, the PUC rate study this year established that our residential customers pay 34% more than the statewide average and 42% more than Xcel Energy customers. It is neither fair nor equitable to require these types of sacrifices from Pueblo residents—loss of jobs, loss of tax revenue and the highest electric rates in the state; and

WHEREAS, the passage of SB 21-200 would be an unmitigated disaster for Pueblo County.

RESOLUTION NO. 21-_____ (CONTINUED)

NOW, THEREFORE, BE IT RESOLVED, by the Board of County of Commissioners of Pueblo County, Colorado, that this Board opposes the passage of Senate Bill 21-200 and urges Colorado lawmakers to vote against Senate Bill 21-200.

PASSED AND ADOPTED this 15th day of April, 2021 in Pueblo County, Colorado.

**THE BOARD OF COUNTY COMMISSIONERS
OF PUEBLO COUNTY, COLORADO**

BY: _____
Garrison M. Ortiz, Chair

ATTEST:

BY: _____
Gilbert Ortiz, County Clerk



April 20, 2021

The Colorado Propane Gas Association opposes Senate Bill 200 and urges you to vote no during your consideration in the Senate Transportation and Energy Committee.

Colorado Utilities are meeting or exceeding established emission goals passed by the Colorado General Assembly. SB 200 is unnecessary and creates uncertainty for consumers and Colorado businesses. Establishing arbitrary emission goals without providing for economic welfare and electric grid resilience is not the way to lead Colorado towards a lower carbon future.

Please allow consumers to continue to choose what is best for their energy requirements and vote no on SB 200.

Sincerely,

Dan Binning

Executive Director

Colorado Propane Gas Association.

[SB21-200 Reduce Greenhouse Gases Increase Environmental Justice](#)

Tuesday, April 20 2021

SENATE TRANSPORTATION & ENERGY COMMITTEE

Testimony from Kelly Brough, President and CEO, Denver Metro Chamber of Commerce

Thank you, Madame Chair and members of the committee, for the opportunity to provide this written testimony today. My name is Kelly Brough and I am the president and CEO Denver Metro Chamber of Commerce. I write today on behalf of the Chamber, our 3,000 members and their 400,000 employees, to express opposition to Senate Bill 200.

We know that greenhouse gas emissions must be reduced and many of our employers have taken steps to do just that. But this bill causes serious concerns because it creates hard targets that don't take into account all the work and challenges happening today, including the Governor's own stakeholder process to inform his greenhouse gas reduction plan, existing goals in place and current technology needs. Of greatest concern is the hard targets for specific industries in this bill do not ultimately reduce carbon emissions for our region, but rather shift those emissions from one part of the industry to another. Rather than building on the work done to date including HB 1261, Senate Bill 200 requires some sectors to actually start over, particularly in the utility sector. It would establish an unrealistic 100-percent greenhouse gas emission reduction requirement for the utility sector by 2040, a target we all know can't be met with the current technology available.

Further, this legislation did not go through a robust stakeholder outreach process—a process that could have addressed carbon-shifting concerns and would have raised the need for consumer and reliability protections.

Colorado is leading the nation in its groundbreaking efforts. SB 200 gets in the way more than it would help or strengthen the process. This bill circumvents the process in place today, clouds the progress made to date, removes flexibility and discourages innovation. We encourage you to vote no on SB 200.



SB21-200 Testimony

Mr. Chair, committee members, Senators Winter and Moreno, thank you for the opportunity to address you today. And thank you to each of the legislators' working on behalf of Colorado during these very difficult times. My name is Ted Leighty and I am here on behalf of the Colorado Association of Home Builders. I am here today to talk about our concerns related to SB-200 and the larger policy context of energy supply for homes. Colorado has a housing affordability and attainability problem, which goes beyond the actual purchase of a home and extends into the costs of owning a home as well. These challenges are very acute at lower income levels.

The reasons are many. Increasingly complicated zoning schemes make it difficult to develop land and provide the necessary mix of housing types, especially lower-cost housing. Complex, prolonged, and uncertain development approval processes constrain the availability of developable land and drive up the cost of housing, and an ever-growing number of impact fees imposed on new housing add to that. NIMBY groups resisting higher density development have become more sophisticated and organized over time and deter growth and development.

Labor shortages add to construction timelines and inhibit the industry from meeting demand. Materials costs, especially lumber, continue their sharp rises. Lumber prices alone have raised costs for the average-sized home by \$24,000. When you factor in what we call the "Priced-out Estimates" which indicate that for every \$1,000 increase in the median-price of a home it will price out just over 2,300 Coloradans from the market, lumber prices alone are pricing out over tens of thousands of Coloradans.

I am spending this time talking about costs and affordability because as we all know affordability challenges are a long-standing and still growing issue. And there are so many factors right now outside our control contributing to housing cost increases that we want to caution the legislature, and all policymaking bodies, not to enact policies that could further inhibit Coloradans from homeownership.

Utility costs can be a real burden for new homeowners and electric service is more expensive in Colorado than gas service. A recent study by Home Innovation Research Labs evaluated annual energy use costs in our climate zone and found that electric service is \$275 more per year in Denver.

This bill by itself likely won't contribute to higher home costs, but as builders we have to look at the whole of the policy in this area and wonder whether abundant and inexpensive gas will continue to be a source we and homeowners can rely on.

We need to ensure that policy doesn't move faster than our utilities, technology and supply chains can work so that homes and homeownership don't become unnecessarily more expensive.

Thank you for your time today, we appreciate the opportunity to be here with you.