

May 25, 2021

TO: Members of the Senate Transportation and Energy Committee

FROM: Sarah Steinberg, Principal, Advanced Energy Economy (AEE)

SUBJECT: Support for SB 272 (Hansen and Fenberg): Measures to Modernize the Public Utilities Commission

Advanced Energy Economy (AEE) **supports** Senate Bill 272, which contains a number of important reforms that make progress toward ensuring that Colorado has and maintains a high-performing Public Utilities Commission. AEE is a national association of businesses that include a full range of energy technologies and services, both grid-scale and distributed, such as energy efficiency, demand response, energy storage, wind, solar, hydro, geothermal, electric vehicle manufacturers and service providers. Collectively, advanced energy employs more than 60,000 Coloradans statewide.

As our electricity system undergoes a significant and rapid transformation, the Colorado Public Utilities Commission (PUC) will play a central role in ensuring that the transition happens in a smart, safe, reliable, secure, and cost-effective way. Regulators and their staff need to be nimble, innovative, and thoughtful as they make both big picture and detailed, technical decisions in their judicial and policy-making capacities. Intentional organizational design can facilitate better processes and outcomes so that the PUC can be a meaningful partner to the Legislature and the Administration in achieving state energy policy objectives.

For these reasons, we support SB 272. In particular, Sections 1, 3, 4, 8, and 9 will give the Commission important guidance and the necessary resources to meet the agency's changing demands. These sections authorize additional dollars for outside consultants and experts, require the Commission to promulgate rules to consider equity, prioritize benefits to disproportionately impacted communities, and address historical inequalities in all of its determinations, remove the fixed utilities fund cap, require the Commission to incorporate the consideration of the social cost of carbon dioxide in resource plan decisions, and give the Commission access to utility resource planning software.

AEE appreciates this important and timely effort. We stand ready to continue working with the Legislature on additional agency modernization efforts to keep pace with the constantly evolving energy landscape. **We respectfully request your support for this legislation.**

Best regards,



Sarah Steinberg

ssteinberg@aee.net



Colorado General Assembly, Senate Committee on Transportation and Energy

Chairwoman Faith Winter
Vice Chair Brittany Pettersen
Senator Don Coram
Senator Kerry Donovan
Senator Dennis Hisey
Senator Ray Scott
Senator Rachel Zenzinger

Re: Support of SB21-272 Measures to Modernize the Public Utilities Commission

May 25, 2021

Madame Chair Winter, Vice Chair Pettersen and Members of the Committee,

My name is Gwen Farnsworth and I am a senior policy advisor with the Clean Energy Program at Western Resource Advocates (WRA), a regional non-profit conservation organization. For over 30 years WRA has been working with policymakers and other advocates to advance clean energy, protect air, water, and wildlife—and sustain the lives and livelihoods of people in the West. We address the impacts of climate change by offering evidence-based policy solutions that deliver lasting results and that sustain diverse environments, people, and economies. On behalf of WRA, I am writing in support of SB21-272 – Measures to Modernize the Public Utilities Commission (PUC), brought by Majority Leader Fenberg and Senator Hansen.

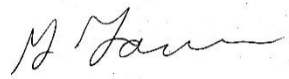
WRA broadly supports the bill, which would make important changes that will help resource the PUC to be able to responsibly regulate utilities. For instance, the bill would amend the use of the Fixed Utility Fund to allow the PUC to spend up to \$250,000 a year to contract with outside consultants to provide technical expertise. Additionally, the bill would improve the PUC's oversight of regulated utilities by permitting access to analytical tools that are currently utilized by utilities, but which are difficult for the PUC regulatory staff to obtain and utilize in their review of utility investments and rates.

Various types of privately developed modelling software can be used to calculate customer rates, plan system upgrades, or design various programs and systems in the context of rate cases, resource planning, and other proceedings. This software can only be accessed by entities holding a paid license to use it. The cost and complexity of staying up-to-date on the various software tools chosen by the utilities has historically been beyond the capacity of the commission. SB21-272 would help by amending existing law to ensure that the commission and staff have access to these modeling software tools, and corresponding input data and assumptions used by a utility. The utility would cover the software costs for the commission just as it covers the software cost for its own analysis, which will not impact the Fixed Utility Fund.



Finally, WRA would like to share our support for the changes to the renewable energy credit provisions of the bill, which would support Colorado in meeting our climate pollution reduction goals. For all of these reasons WRA urges your “aye” vote on SB21-272.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen Farnsworth". The signature is fluid and cursive, with a large initial "G" and "F".

Gwen Farnsworth
Senior Policy Advisor, Clean Energy Program
Western Resource Advocates

Cc: Majority Leader Stephen Fenberg, Senator Chris Hansen