



Mark Detsky, Dietze and Davis LLP

STATEMENT OF SUPPORT FOR HB19-1037

- The Colorado Independent Energy Association (“CIEA”) is a trade association that has represented the interests of Independent Power Producers (“IPPs”) since 1993. IPPs are developers of electric generation resources that are not utilities operating in Colorado. IPPs form the wholesale market for generation resources in Colorado;
- CIEA is honored to submit this statement in support of HB 19 – 1037. CIEA worked on this bill as it wended its way through the process and is grateful to support the bill submitted to the legislature.
- CIEA thanks Representative Hansen for bringing this bill forward and engaging stakeholders to find consensus.
- HB 19 -1037 would create a valuable new tool to help Colorado and our economy take a step forward in achieving dramatic carbon dioxide emissions reductions to mitigate our contribution to climate change, while protecting ratepayers and growing our economy. PSCo is currently approved to reduce emissions from its generation to 60% of 2005 levels by 2025, six years from now. Additional legislative proposals may increase that amount an additional 20 percent in the following 5 years and 100% reductions by 2050.
- That kind of change will require the retirement of existing coal units. To date, PSCo has been able to do this while maintaining low rates that are the envy of large economies on both coasts. That trajectory must be maintained and this bill accomplishes that goal by not only providing a low cost bonding opportunity, but also by embracing competition.
- Competitive bidding for resource acquisitions by XCEL allows market players – IPPs - to compete to sell power to utilities by contract or by build and transfer agreements. When the market is allowed to fairly and transparently compete, Coloradans benefit from lower prices for resource generation.
- Last year, the PUC approved the Colorado Energy Plan, and that included some of the lowest wind and solar generation, including with storage, that the nation had yet seen. These project bids came from independent power producers who had invested millions in development capital in Colorado lease payments among other investments.
- Using competition to put the next phase of carbon reduction from electric generation in motion will allow the PUC to ensure the costs of the project are