

# Report Highlights



## Consideration of Best Value Employment Metrics in Electric Utility Resource Acquisitions

Department of Regulatory Agencies, Public Utilities Commission  
Performance Audit • July 2022 • 2250P

OFFICE OF THE STATE AUDITOR

C O L O R A D O

### Key Concern

For electric utility resource acquisitions, the Public Utilities Commission (Commission) does not always receive sufficient information on best value employment metrics (employment metrics) from the utilities' potential project contractors, nor does the Commission consistently document its review and consideration of the metrics when deciding whether to approve acquisitions.

### Key Findings

- In Calendar Years 2011 to 2021 (the audit review period), the Commission approved 15 electric resource acquisition proceedings that required its consideration of employment metrics—4 Resource Plans, 2 Plan amendments, and 9 certificates of public convenience and necessity (certificates). Bidders for these projects are to provide information on the employment metrics they will implement if they are awarded contracts.
- For 4 of the 9 certificate proceedings (44 percent), the Commission did not have evidence that it received information on employment metrics to consider, as required, but approved the four proceedings, indicating that metrics were not factors that affected Commission decisions.
- In total, for 11 of the 15 proceedings (73 percent), including the four certificates noted above, the Commission did not consistently document how employment metrics factored into its decisions. For example, for one Resource Plan, both amendments, and six certificates, there was no documentation that the Commission considered metrics at any point.
- 85 of the 90 bidders (94 percent) in the 15 proceedings provided little or no detail on metrics to demonstrate that the projects would comply with statute. For example, 38 bids did not provide any metric information for at least one metric, and 47 bids did not indicate how the bidders would fulfill the metrics.
- We identified a policy area that the General Assembly may want to consider, which relates to the role of the Commission in ensuring employment metrics are implemented.

### Background

- The Commission regulates electric utilities, including investor-owned retail electric utilities, and the rates they charge to ensure that the utilities are safe, reliable, and serve the economic and environmental needs of the people of the state. Investor-owned retail electric utilities generate a portion of the power they sell to consumers and, through resource acquisition, acquire the remaining power from other utilities or from wholesalers that are independent power producers.
- The Commission's authority over utilities includes establishing rules to regulate the utilities and reviewing and approving the utilities' Resource Plans for resource acquisitions, which include construction, expansion, and decommissioning of electricity generating facilities.
- Since 2010, statute has required the Commission to consider employment metrics, such as the creation of long-term, well-paying, Colorado jobs, when evaluating and approving the utilities' electric resource acquisition projects.

### Recommendations Made

**3**

### Responses

Agree: **3**  
Partially Agree: **0**  
Disagree: **0**