

Public Utilities Commission Study of Community Choice Energy (CCE)

Reps. Hooton and Kipp | Sen. Donovan

WHAT DOES THE BILL SAY?

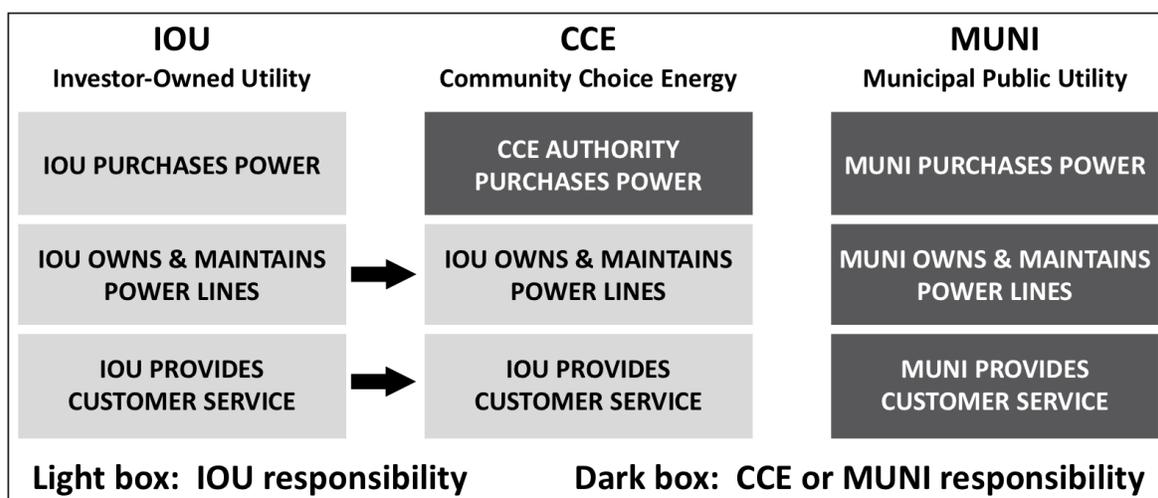
This bill directs the Public Utilities Commission (PUC) to conduct an investigatory docket that addresses 21 questions and topics about how Community Choice Energy might work best in Colorado. A PUC investigatory docket is a transparent public process that receives input from all interested stakeholders and the public, and conducts one or more workshops with presentations by invited experts.

The PUC will submit a final report to the legislature that summarizes the proceeding.

This is a "Study Bill." It does not enable CCE in Colorado at this time. This bill does not change the status quo. Instead, it collects information about a promising energy policy in order to better understand the challenges and opportunities that CCE could offer Colorado communities that would choose to adopt it. If findings are favorable, CCE-enabling legislation will be contemplated in 2023.

WHAT IS COMMUNITY CHOICE ENERGY?

- CCE would allow cities and counties, or groups of cities and counties, that are served by an investor-owned utility (Xcel or Black Hills) to choose alternative wholesale electricity suppliers on behalf of their residents and businesses.
- Electricity is still delivered by the utility, which continues to own and operate its power lines and manage customer service and billing. This differs from a municipal electric utility, which is responsible for all the functions of an investor-owned utility, not just the electricity supply. See graphic below.
- Individuals can choose to opt out of the CCE and purchase their electricity as traditional "bundled service" from the utility if they wish. Typical opt-out rates are 5-10%.



Comparison of functions performed by an IOU, a CCE, and a municipal electric utility.

CCE only concerns procuring the wholesale electricity supply, not operating the infrastructure.

A FEW KEY FACTS AND COMMON MISCONCEPTIONS

- **This is a Study Bill, not enabling legislation.** It does not change current statutes or regulations.
 - **CCE has nothing to do with "retail choice" or "deregulation"** as in the 14 states where individuals can shop among dozens to hundreds of retail electricity providers. This bill is only about studying the "wholesale, opt-out" model of CCE, where choice is at the community level.
 - **CCE is for communities of all sizes.** Some medium to large cities may form their own CCE Authority that is governed by their City Council; however, the norm in California is for multiple cities and/or counties to form a "Joint Powers Authority" to share administration and combine their purchasing power, governed by a Board of elected officials from each member jurisdiction.
 - **Regarding the impact of CCE on electricity rates, and on Colorado's renewable energy and emissions reduction targets, and many more topics:** Opinions vary about most topics involving CCE, but what they all share in common is that they are mere speculation. The purpose of this Study Bill is to get solid answers to key questions based on evidence, expert testimony, and broad stakeholder input. We don't need to guess or argue!
 - **Colorado can learn from the experiences of other CCE states.** CCE has great promise for giving local governments more choice and control over their energy sources, energy costs, local energy programs, and local jobs and economic development. However, a serious investigation is needed to evaluate whether that promise seen in other states could indeed be realized in Colorado.
-

REASONS TO SUPPORT THIS BILL

- CCE is a promising energy policy that merits serious study to see if it is indeed worth pursuing.
- Dozens of Colorado communities, representing more than a million people, have ambitious renewable energy and greenhouse gas reduction goals, but no practical way to achieve them. CCE offers a possible path forward for these communities, and they deserve a serious evaluation of this approach.
- Competition and community choice should increase efficiency and innovation in our wholesale electricity system, and thereby drive down costs. Let's study it and figure out the details.
- There is little downside, much potential upside, and very low risk to studying CCE. This bill does not change the status quo, but it does seek to inform us about CCE's challenges and opportunities.

SELECTED SUPPORTERS

- Colorado Municipal League (CML)
- Colorado Communities for Climate Action (CC4CA)
- Sierra Club, state chapter
- Colorado Coalition for a Livable Climate (CCLC)
- Colorado Renewable Energy Society (CRES)
- 350 Colorado
- Clean Energy Action
- Denver City Council
- Pueblo City Council
- Boulder City Council
- Golden City Council
- Lafayette City Council
- San Miguel County
- Pueblo's Energy Future

For more information, please visit ediehooton.com and download the **Bill text** and the **FAQ**.