

# Progress Under the Clean Air Clean Jobs Act

Clean Energy Regulatory Forum  
Joint Institute for Strategic Energy Analysis

Remarks of Ron Binz  
Public Policy Consulting

April 19, 2012

# Public Policy Consulting

## Public Policy Consulting

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Welcome to **Public Policy Consulting**, the regulatory consulting practice of Ron Binz.

Here you will find my resume, examples of my work, my clients, and my publications.

I look forward to working with your company or agency to address the emerging policy issues in energy and telecommunications.

I have more than thirty years experience in utility regulatory policy, having served as the Chairman of the Colorado Public Utilities Commission, as Colorado's consumer advocate, and as an expert consultant in more that 100 cases across the U.S., including fifteen appearances before Congressional Committees.



Public Policy Consulting  
333 Eudora Street  
Denver, Colorado 80220-5721

720-425-3335 cell  
303-365-7528 home office

[rbinz@rbinz.com](mailto:rbinz@rbinz.com)

[Linked In](#)

[www.rbinz.com](http://www.rbinz.com)

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

# Colorado's Clean Air Clean Jobs Act

## An Act

HOUSE BILL 10-1365

BY REPRESENTATIVE(S) Solano and Roberts, Benefield, Carroll T., Court, Fischer, Frangas, Gerou, Hulinghorst, Kagan, Kerr A., Kerr J., King S., Levy, Liston, Massey, May, McFadyen, McNulty, Merrifield, Middleton, Miklosi, Peniston, Pommer, Primavera, Rice, Ryden, Scanlan, Schafer S., Stephens, Todd, Tyler, Vaad, Vigil, Ferrandino, Kefalas, Labuda, McCann, Nikkel, Riesberg, Summers;  
also SENATOR(S) Whitehead and Penry, Bacon, Boyd, Brophy, Carroll M., Foster, Heath, Johnston, Morse, Romer, Shaffer B., Steadman, Williams.

CONCERNING INCENTIVES FOR ELECTRIC UTILITIES TO REDUCE AIR EMISSIONS, AND, IN CONNECTION THEREWITH, REQUIRING PLANS TO ACHIEVE SUCH REDUCTIONS THAT GIVE PRIMARY CONSIDERATION TO REPLACING OR REPOWERING COAL GENERATION WITH NATURAL GAS AND ALSO CONSIDERING OTHER LOW-EMITTING RESOURCES, AND MAKING AN APPROPRIATION.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** Article 3.2 of title 40, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 2

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

# Structure of HB10-1365

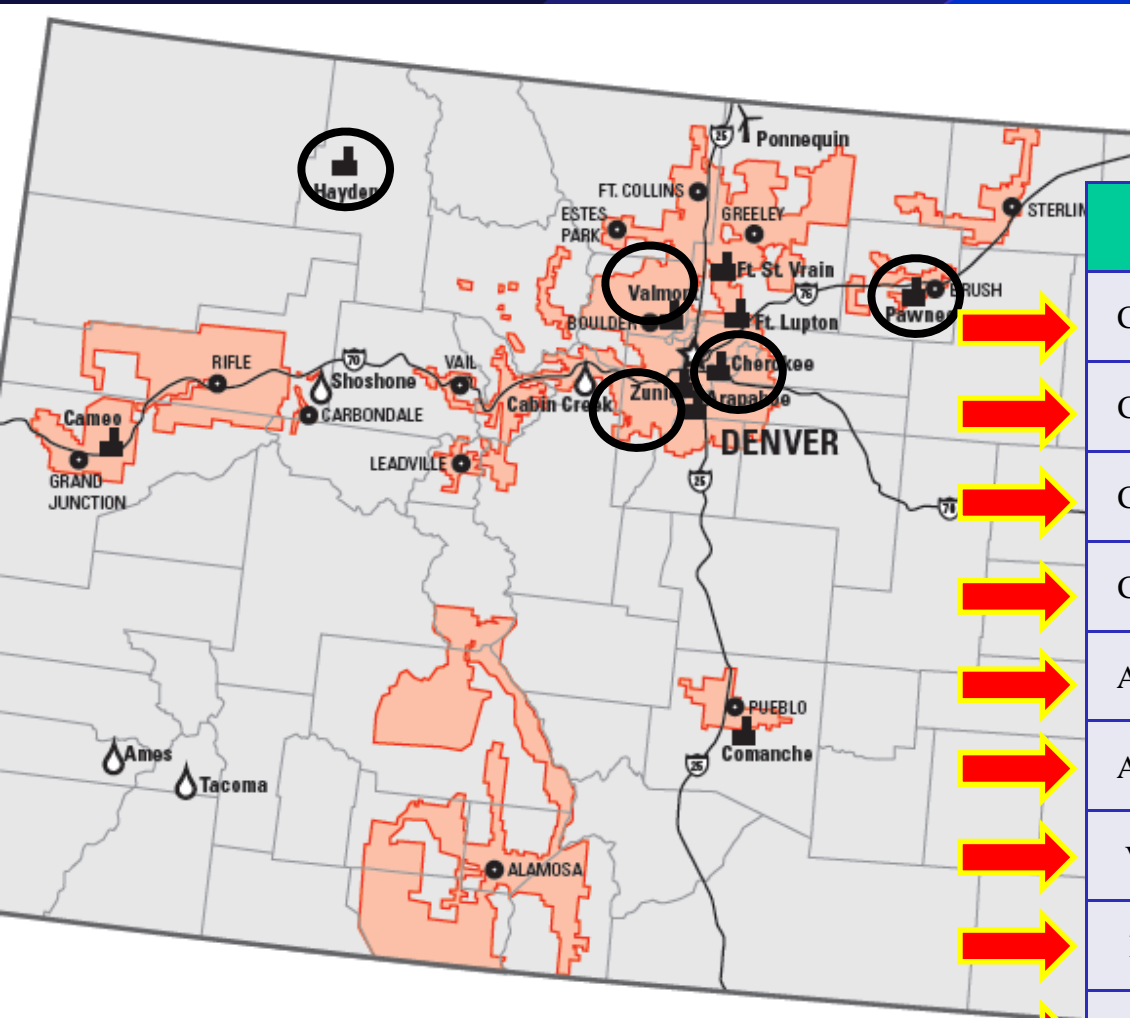
- Utility must consult with CDPHE on plan to meet current and projected EPA clean air rules.
- Utility must file plan with PUC to improve air quality, addressing at least half of coal generation up to 900 MW.
- Utility required to conduct various studies:
  - Plan impacts on NO<sub>x</sub> emissions
  - Cost of controlling emissions at existing coal plants
  - Cost of replacing 900 MW coal generation with natural gas
  - Impacts on system reliability
- CDPHE participated in PUC process.
- Any PUC-approved plan had to meet projected EPA rules.
- Air Quality Control Commission incorporated approved plan into State Implementation Plan (SIP) for addressing regional haze.
- New law specified some details of regulatory cost recovery



# Highlights of the Proceeding

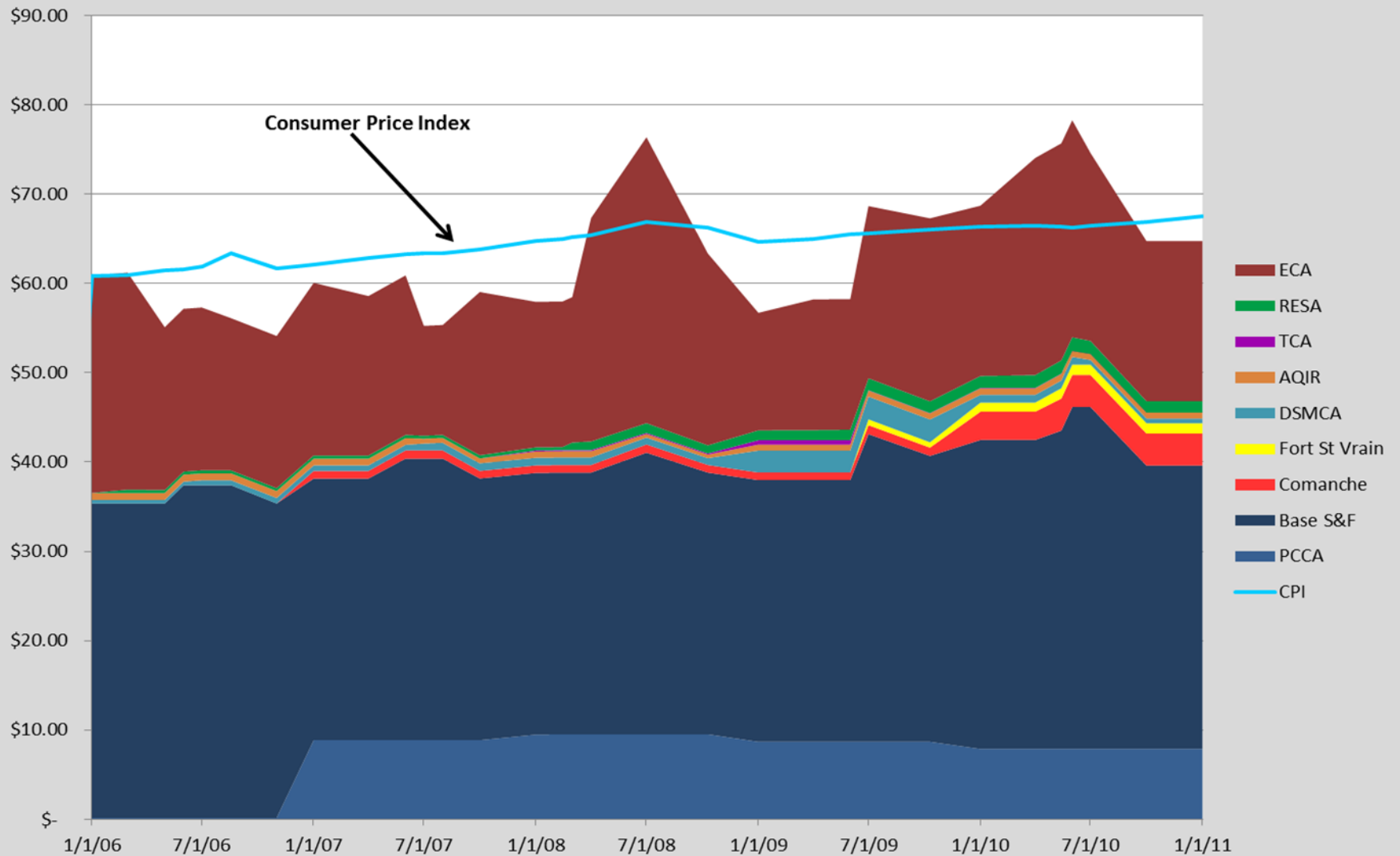
- Utility filed analyses of ~20 plans (7 basic plans with variations)
- Interventions by large gas and coal interests
- Two very large public hearings
- Prefiled testimony of 91 expert witnesses
- Utility rejected “controls-only” plan
- Utility’s preferred plan was ruled not in compliance with new statute; utility filed new plans and identified new preferred plan
- CDPHE rejected some plans as insufficient to meet EPA rules
- Long-term natural gas contract filed for approval
- Motion to disqualify two commissioners
- Hearings in evenings and on Saturdays

# Decisions on PSCo Plants



Source: Xcel Energy – Summary Report for Investors 2009

## Average Monthly Residential Electric Bill by Component versus U.S. Consumer Price Index





# 2010 Electricity Prices by State vs Percent Generation that is Coal or Hydro

