

# Partnership between the Electric Regulatory Commission of Jordan and the Colorado Public Utilities Commission

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**Ronald J. Binz, Chairman**

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# Greetings to our friends in Jordan

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السلام عليكم  
this visit.



# A Brief Reminder about the Colorado Public Utilities Commission

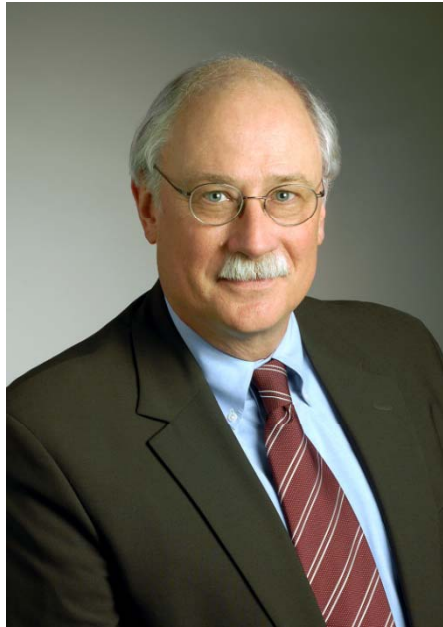
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# The Commissioners

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Matt Baker



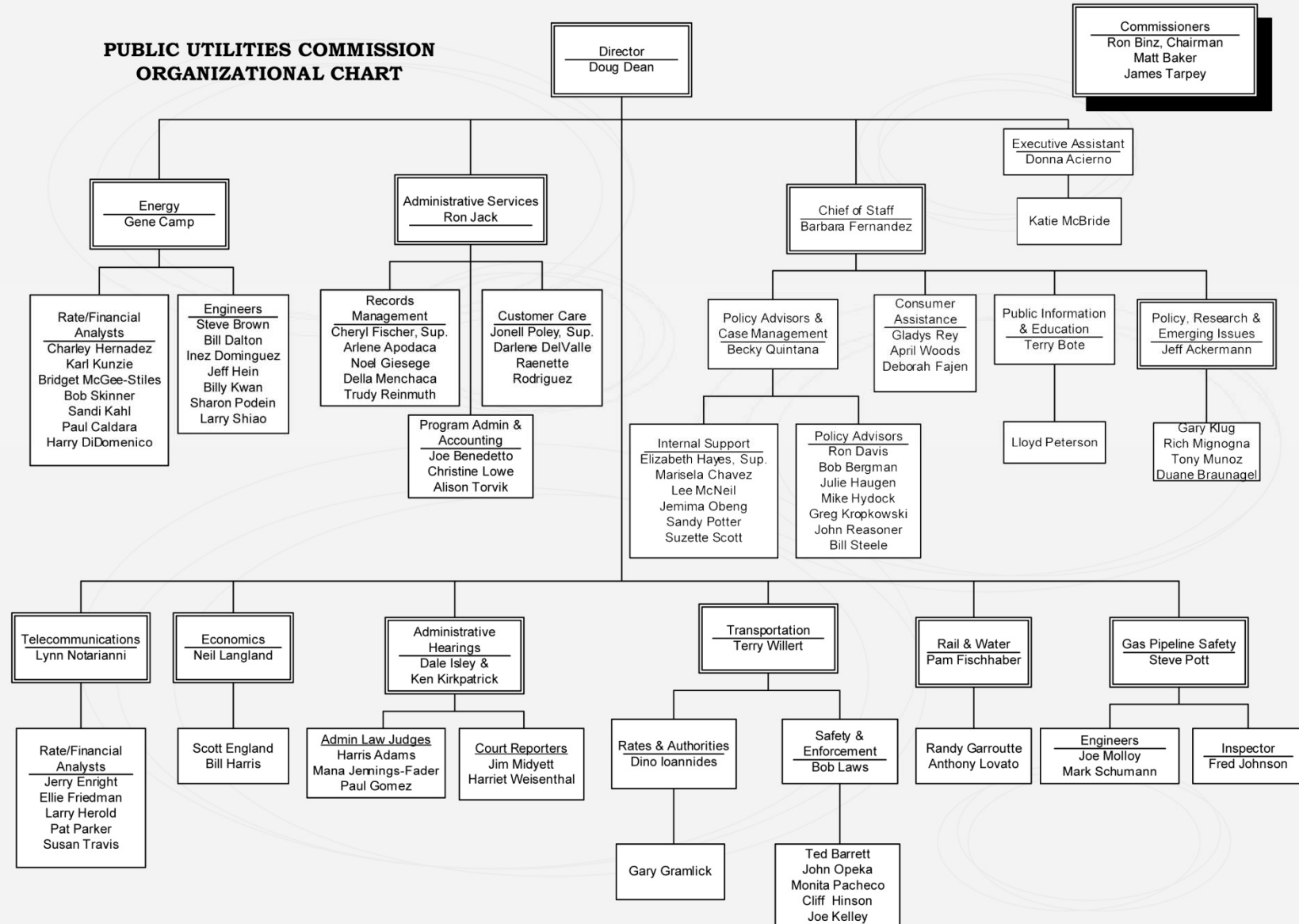
Ron Binz



Jim Tarpey



# **PUBLIC UTILITIES COMMISSION ORGANIZATIONAL CHART**



December 2009



# What Do We Regulate?

- Investor-owned electric utilities **60%**
  - Investor-owned natural gas utilities **15%**
  - Intrastate natural gas pipelines **1%**
  - 
  - Some telecommunications carriers & services **10%**
  - Passenger transportation **10%**
  - Railroad crossings
  - Investor-owned water utilities
  - Pipeline safety
  - Relay Service for the hearing impaired
- } **4%**



# Colorado

A map of the United States with Colorado highlighted by a red circle. The map shows all 50 states, each labeled with its name. Colorado is located in the central United States, bordered by Wyoming to the north, Nebraska to the east, Kansas to the south, and New Mexico to the southwest. The map uses various colors to distinguish between states, and the red circle is a prominent feature highlighting Colorado.







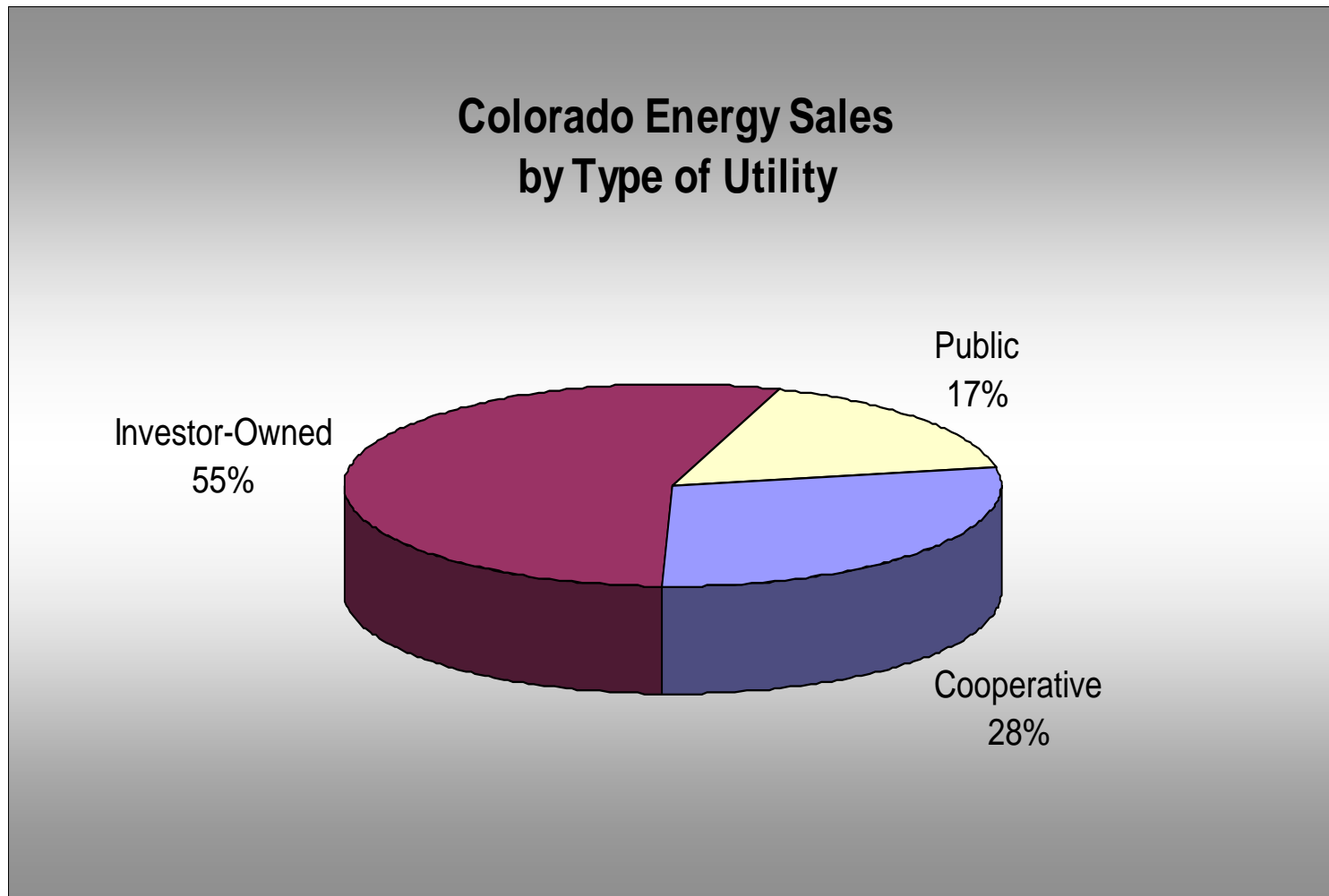


# Our State Energy Strategy

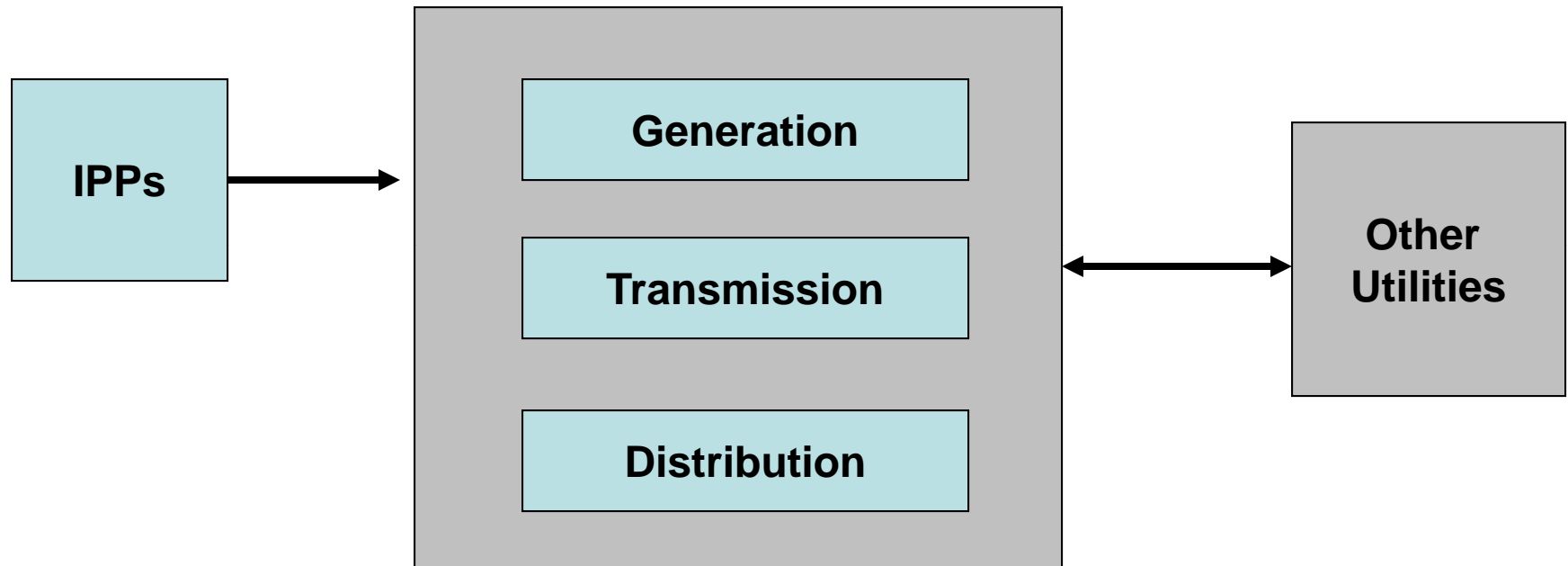
- **Stress Renewable Resources**
  - Aggressive State Renewable Portfolio Standard
  - Progressive resource planning at Commission
  - Healthy renewables industry
  - A commitment to addressing climate change
- **Boost Energy Efficiency**
  - Customer: education
  - Utility: engagement
  - Regulatory: incentive regulation; rate structure changes
- **Advanced Technologies Development**
  - Research and demonstration for carbon sequestration
  - Concentrating solar field at PSCo's Cameo coal-fired plant
  - CAES and other storage strategies
  - Smart grid test bed in Boulder, Colorado
- **Transmission Development**
  - SB 100 in Colorado
  - Western Renewable Energy Zones participation



# Types of Colorado Electric Utilities



# Vertically Integrated Utilities



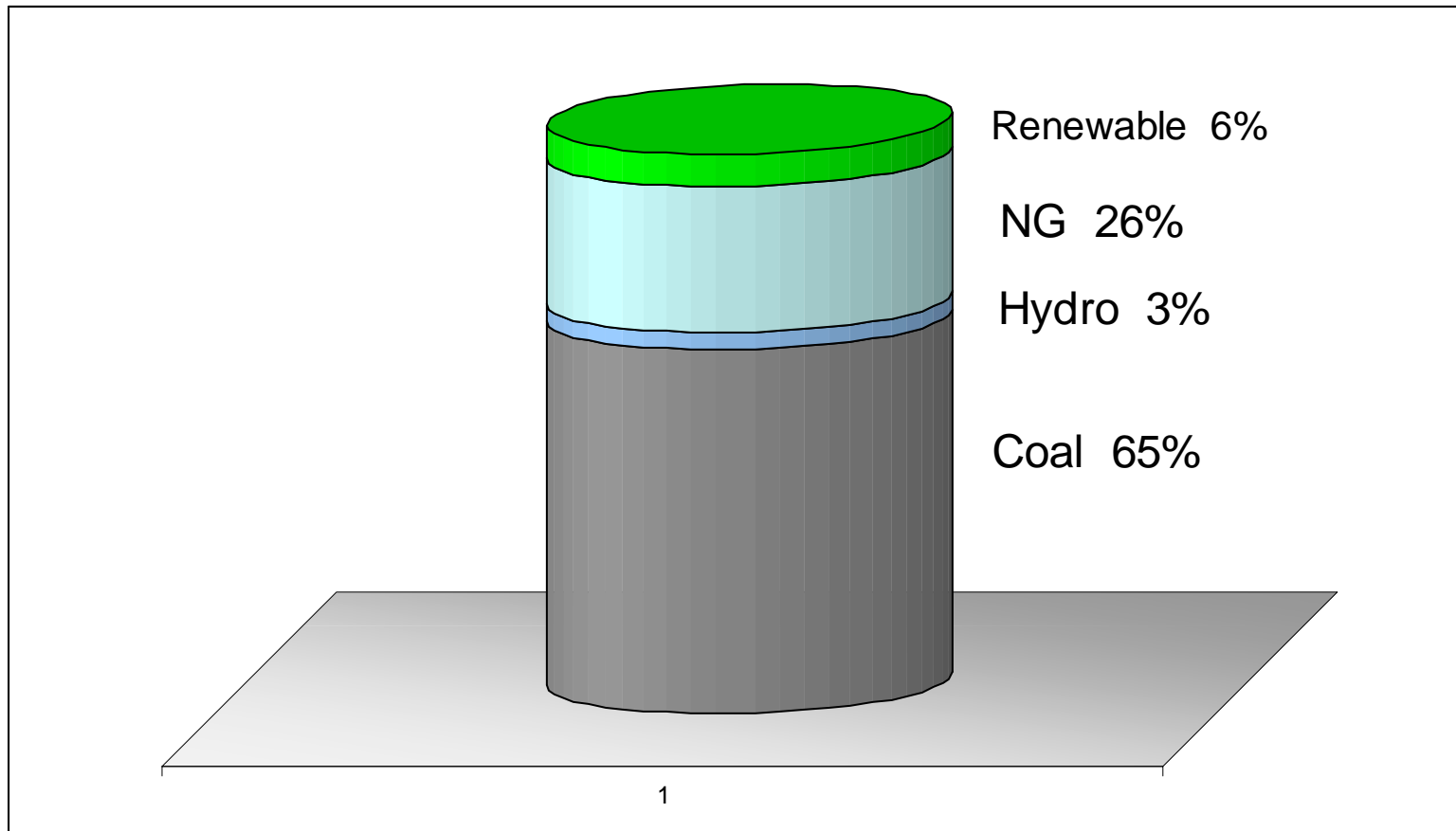
# Colorado's Balanced Approach

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- Coal producing state (#8 of 50 states in US)
- Natural gas producing state (#7 of 50 states)
- Substantial wind and solar resources
- Moderate electric rates
- Governor with a focus on the "New Energy Economy"



# How Colorado Generates Electricity (2007)



# Our Goals for this Visit

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- Understand more fully the challenges facing the ERC in two areas:
  - Implementation of New Renewable Energy Law
  - Effectively designing the license for JEPCO
- Share our experiences implementing Colorado's aggressive renewable portfolio standard.
- Share our experiences with licensing, resource planning, IPP contracts, energy efficiency.





# History of Colorado's RPS

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- Amendment 37 (2004)
  - Voter initiated; 10% renewable energy by 2020; separate solar requirement; net metering
- HB 1281 (2007)
  - 20% renewables by 2020; 10% for municipal utilities and cooperatives; solar requirement
- HB 1001 (2010)
  - 30% by 2020; carve out for DG of 3% by 2020 (~650 MW PV)



# Xcel Energy

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- ~7000 MW peak load
- 2004-present
  - 1,200 MW wind capacity
  - 60 MW solar capacity
- By 2015
  - Additional 750 MW wind capacity
  - >250 MW new solar thermal
  - >160 MW new photovoltaic



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.

# 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.

# Challenge



# Long Term Natural Gas Contracts

(4) THE UTILITY MAY ENTER INTO LONG-TERM GAS SUPPLY AGREEMENTS TO IMPLEMENT THE REQUIREMENTS OF THIS PART 2. A LONG-TERM GAS SUPPLY AGREEMENT IS AN AGREEMENT WITH A TERM OF NOT LESS THAN THREE YEARS OR MORE THAN TWENTY YEARS. ALL LONG-TERM GAS SUPPLY AGREEMENTS MAY BE FILED WITH THE COMMISSION FOR REVIEW AND APPROVAL. THE COMMISSION SHALL DETERMINE WHETHER THE UTILITY ACTED PRUDENTLY BY ENTERING INTO THE SPECIFIC AGREEMENT, WHETHER THE PROPOSED AGREEMENT APPEARS TO BE BENEFICIAL TO CONSUMERS, AND WHETHER THE AGREEMENT IS IN THE PUBLIC INTEREST. IF AN AGREEMENT IS APPROVED, THE UTILITY IS ENTITLED TO RECOVER THROUGH RATES THE COSTS IT INCURS UNDER THE APPROVED AGREEMENT, AND ANY APPROVED AMENDMENTS TO THE AGREEMENT, NOTWITHSTANDING ANY CHANGE IN THE MARKET PRICE OF NATURAL GAS DURING THE TERM OF THE AGREEMENT. THE COMMISSION SHALL NOT REVERSE ITS APPROVAL OF THE LONG-TERM GAS AGREEMENT EVEN IF THE AGREEMENT PRICE IS HIGHER THAN A FUTURE MARKET PRICE OF NATURAL GAS.



# Key Elements of the Colorado Regulatory Structure

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- Clear jurisdiction to regulate
  - 100-year history
  - Detailed statutes and Commission rules
  - Extensive case law
- Common vision with Executive and Legislative
- *Somewhat* cooperative utilities
- Reasonable electric rates



# Key Elements of Colorado's Renewable Energy Policy

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- Public support for renewable energy
- Acceptable Rate Impact
  - +2% limit
- Robust renewable energy industry
  - Bids were 10-1 on requirements
- “No surprises” regulation
  - Contracts are secure
  - Note new natural gas regulation
- Ties to economic development





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**Thank you again for hosting  
this meeting.**

**We look forward to our  
continuing discussions.**

