

! BUSTING MYTHS ABOUT A PUBLIC ELECTRIC UTILITY

Lots of talking points are flying around about Boulder's move to create a municipal utility. Maybe you've seen the "whack-a-mole" arguments against the Muni that keep popping up again and again, even though they have been thoroughly debunked again and again. Read on — be informed.

MYTH 1

"We can meet our climate goals by staying with Xcel."

Nope. Xcel Energy doesn't share Boulder's goals. Xcel's business model requires it to keep burning coal for decades in order to deliver profits to shareholders. Xcel's need for revenues is incompatible with solar it doesn't own; the company loses money when people put solar on homes and businesses, and works to limit local power production. Colorado's inflexible legal and regulatory environment is based on burning fossil fuels in central power plants. This has worked for 100 years, but it won't work for a renewable future.

Staying with Xcel trumps democracy. All Xcel-related energy decisions are made at the Public Utilities Commission (PUC) in a process that is largely inaccessible to Boulder voters. By contrast, **with local power, decisions reflect community goals.**

MYTH 2

"Xcel has a new plan for 55% renewables by 2026. Isn't that good enough?"

Xcel's plan is a proposal, not a commitment. David Eves, Xcel's president in Colorado, said that Xcel "could be 55 percent renewable by 2026." The Xcel plan, although welcome, makes Boulder's climate goals impossible to achieve. Even if Xcel gets to 55 percent renewables, it would still burn fossil fuels for the other 45 percent. Xcel has a history of making empty promises to Boulder. Xcel intends to own its new renewable resources, charge premium prices, keep the old central power plant business model, and continue paying healthy shareholder dividends. A local utility would return those economic benefits back to its customer-owners. Also, staying with Xcel would block local energy innovation and limit customer choices.

MYTH 3

"Creating an electric utility will be more expensive than we planned."

What's getting muddled in headlines and op-eds is lumping different expenses together.

Expenses for exploration of pathways to a local utility (e.g. legal, design) are covered by the Utility Occupation Tax (UOT). Some of these expenses may be paid on a different timetable than was originally assumed; however, dramatic increases are not expected. The large capital expenses (e.g. acquisition, construction, start-up) will be funded by bonds and will be repaid out of utility revenue — not taxes, not UOT, not general fund, not city reserves. These capital costs are accounted for in the city's ongoing economic modeling and will be finalized by negotiations with Xcel or in condemnation court. Once these costs are known, citizens will get to decide at the ballot box whether to borrow money to launch the utility. A "Yes" vote on 2017 ballot measure 20 would add this requirement to the Charter.

MYTH 4

"We can build as much solar in Boulder as we want! We don't need a Muni."

No, we can't. Colorado's current regulatory structure creates barriers to most promising energy innovations including: batteries, local microgrids, widespread deployment of electric vehicles, innovative rates, incentives to generate energy, third party ownership, peer to peer energy trading, and more community solar, among others. These technologies can create energy savings, reduce carbon emissions, cut costs for large industrial customers, make renewable energy available to low income customers, and provide many other benefits to the community. Only a public power utility allows us to make our own decisions whether and how to use new energy technologies.

MYTH 5

"The Boulder City Council isn't capable of running an electric utility."

The City Council won't be running the electric utility. The Boulder Charter calls for the establishment of a governance board with representatives from multiple stakeholder groups including industrial, commercial, and residential customers. Boulder already runs sewer and water utilities and a small hydroelectric power plant. Day-to-day operations of the utility will be managed by industry professionals just the way they are in 29 other cities in Colorado and in 2,000 cities across the United States including Los Angeles, Seattle, Austin.

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MYTH 6

“The Public Utilities Commission handed Boulder another defeat!”

On the contrary. In their key 9/14/2017 decision on the Boulder separation plan, the PUC created “a path forward for a Boulder municipal electric plan,” according to the PUC press release. Unfortunately, *The Daily Camera* portrayed the PUC decision as negative, in coverage that was misleading and sometimes inaccurate. Boulder has now cleared a major regulatory milestone, and has a well-defined and viable process to separate its grid system from Xcel’s. The recent PUC decision removed important road blocks and clarified remaining steps.

Opponents of local power in Boulder have claimed that the PUC decision will increase Boulder’s costs dramatically. This is not true. The city may choose to bury electric wires earlier than originally planned. This is a change in how payments are scheduled, not an increase in overall costs. Critics also claimed that Boulder asked Xcel to pay separation costs. Boulder always planned to pay for design, engineering and construction. These expenses have been built into the city’s financial modeling since 2011.

MYTH 7

“A Boulder public utility won’t be as reliable as Xcel.”

Municipal utilities across the US have better reliability ratings than investor-owned utilities. The Fort Collins electric utility is the most reliable utility in Colorado because it has buried most of its electric wires, protecting industries, commercial businesses, residential customers and the university from costly outages and inconvenience.

MYTH 8

“Pursuing local power is taking too long.”

Yes, it has been a long, difficult road. And, Boulder is not unique. According to the American Public Power Association, a few of the most hard-fought municipal campaigns took up to eight years. The Colorado PUC has had to create a legal framework for municipalization because the process is without precedent. Boulder will be a model for other cities. **Since 2011 Boulder has achieved several critical milestones:** **1)** With conditional approval of its separation plan, Boulder has finally secured a clear way forward; the PUC has ordered Xcel to “negotiate in good faith with Boulder” and provided a 90-day deadline; **2)** after years of legal challenges, Xcel has now agreed to work collaboratively with Boulder; **3)** Boulder has developed detailed separation, engineering and financial plans.

MYTH 9

“I’m afraid Boulder won’t be able to provide electricity on a calm winter night.”

Just like Xcel, a Boulder utility would buy some of its power from independent energy producers. There are many non-coal options in our regional energy market, all of which would reduce our carbon emissions. Eventually, energy storage, which is coming down in price rapidly, will get us to 100% renewables.

MYTH 10

“Voting yes on 2L is throwing good money after bad.”

Ballot measure 2L, extending and slightly increasing the Utility Occupation Tax, will provide crucial cost information, telling us whether we should move forward with clean public power. Voting “Yes” on 2L will add about \$2 per month to residential customers’ electricity bills for several years. This cost is small compared to approximately \$5.5 billion Colorado tax-payers have paid for climate-related natural disasters in the past 10 years. It is also small compared to the \$30 million that Xcel takes out of Boulder each year.

In light of federal inaction, we need to act locally. **Renewable electricity generation is our best option for fighting climate change.**

INFO

For more information, visit www.EmpowerOurFuture.org

DON’T BELIEVE THE MYTHS!



Forward for Clean Energy: YES on 2L, 20, 2P