

# ! 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 debunked "whack-a-mole" arguments that keep popping up again and again. Read on — be informed.*

## MYTH 1

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

**DEFINITELY NOT.** Xcel's need for profits is incompatible with solar it doesn't own; the company loses money when people invest in rooftop solar, and Xcel works to limit local power production. Colorado's inflexible legal and regulatory environment is based on burning fossil fuels in central power plants. This business model won't work well for a distributed and democratized renewable future.

## MYTH 2

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

**NOT AT ALL. The Xcel plan makes Boulder's climate goal of 100% renewables by 2030s impossible.** The Xcel plan is a proposal, not a commitment, which will only be pursued if it benefits Xcel's bottom line. The Xcel plan won't meet Boulder's climate goals. Xcel would still burn fossil fuels for the other 45% of its power generation, with coal burning at Comanche 3 scheduled until 2070. Finally, Xcel intends to own its new renewable resources, keeping the old central power plant business model and premium prices. **A local utility would build more distributed, resilient solar, returning economic benefits to the community.**

## MYTH 3

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

**NOPE.** Staying with Xcel is actually more expensive than creating a municipal electric utility, considering interest on Xcel's current debts and planned investments. Opponents of public power don't want you to know this side of the story. Boulder's 4% portion of Xcel's debt will almost certainly exceed the debt required to create a local municipal electric utility. **A "Yes" vote on 2L will allow us to get an accurate accounting and determine if public power is right for Boulder. If we quit now, we will never know the truth.**

## MYTH 4

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

**NO.** This is one of the most pernicious myths. Staying with Xcel in Colorado's current regulatory environment creates major barriers to most promising energy innovations including: batteries, local micro-grids, innovative rates, incentives to generate energy, third party ownership, peer to peer energy trading, and more community solar, among others. Over the last decade, Boulder's many outstanding projects – efficiency, solar, EVs – have only reduced GHG emissions 8%. Staying with Xcel trumps democracy since all energy decisions are made at the Public Utilities Commission (PUC) in a process that is largely inaccessible to Boulder voters. **With local power, decisions reflect community goals.**

## MYTH 5

**"Is the Boulder City Council capable of running an electric utility?"**

**MISLEADING. The City Council won't be running the electric utility—industry professionals will.** The Boulder Charter calls for the establishment of a governance board with representatives from multiple stakeholder groups including industrial, commercial, and residential customers. **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 US. Typically public power entities have better rates and higher reliability than investor-owned utilities like Xcel.**

CONTINUED ON REVERSE...

# ! BUSTING MYTHS ABOUT A PUBLIC ELECTRIC UTILITY

CONTINUED

## MYTH 6

“The Public Utilities Commission handed Boulder another defeat!”

**ON THE CONTRARY.** The 9/14/2017 PUC decision, a regulatory milestone, granted “a path forward for a Boulder municipal electric plan” by removing important roadblocks and clarifying remaining steps to separate its grid system from Xcel’s. *The Daily Camera* portrayed the PUC decision as *negative*; *BizWest* and the PUC’s own press release provide a much more accurate report. The PUC decision is not expected to increase Boulder’s costs significantly. The decision may result in a change of payment scheduling, such as burying power lines earlier than planned. **Vote YES on 2L to get the real answers!**

## MYTH 7

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

**REALLY REALLY FALSE.** Municipal utilities have higher reliability ratings than investor-owned utilities across the entire US. That’s because they reinvest in their communities. The Fort Collins municipal electric utility is the most reliable utility in Colorado because it has buried most of its power lines, protecting high tech 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. But Boulder is not unique.** Consider that the Colorado PUC has had to create a new legal framework for municipalization in a process without precedent. But Boulder has created a model for other cities. Since 2011, Boulder has achieved several critical milestones: With conditional approval of its separation plan from the PUC, Boulder has finally secured a clear way forward; the PUC has ordered Xcel to “negotiate in good faith with Boulder” and after years of legal challenges, Xcel has now agreed to work collaboratively with Boulder; Boulder has developed detailed separation, engineering and financial plans.

## MYTH 9

“There is less financial risk in staying with Xcel.”

**ON THE CONTRARY.** Staying with Xcel will almost certainly cost Boulder MORE money than moving to public power (look up “Xcel’s SEC filings” and get into the weeds). Plus, Xcel costs are unpredictable.

Look at what Xcel has done since 2017 ballots were drafted:

- Effective October, 2017: Xcel’s charges for residential consumers increased an average of \$3 per month to pay for fossil fuel cost increases. The PUC deliberated five minutes on an increase that is MORE than the Utility Occupation Tax.
- Filed with PUC October 2017: Rate increases for 2018 to 2021 totaling over 9% — This would mean \$90 million more leaving Boulder in next decade. This could reach 14% with extra “riders” added to our bills.
- Xcel plans to spend \$6.4 billion in Colorado between now and 2021. If we stay with Xcel, we would pay likely be responsible for over \$250 million of these huge investments. After we pay off our own debt (in 30 years) we will own the assets. If we stay with Xcel we will continue to pay “rent” in perpetuity. **Public power is a better deal.**

**Xcel's profits and increasing rates dwarf the money Boulder is spending on municipalization.**

## MYTH 10

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

**IT’S THE OPPOSITE!** Ballot measure 2L will provide crucial cost information on whether we should move forward with public power. Voting “Yes” on 2L increases the UOT for residential customers’ electricity about \$2 per month for the first two years, then returns to the current rate for the last three years. This cost is minute compared to the \$20 million in after-tax profits that Xcel takes out of Boulder each year. It’s a small price to pay for a historic decision.

**DON'T BUY THE MYTHS!**



Get more information at: [www.EmpowerOurFuture.org](http://www.EmpowerOurFuture.org)