

FACT-CHECKING BOB YATES

The following is Bob Yates writing in his *Boulder Bulletin*, October 2020 issue: Measure 2C (EOF/No on 2C responses are inserted in blue)

What it does: A Yes vote will end the city's decade-long municipalization endeavor. It will ratify a settlement reached this summer between the city and Xcel Energy and place the city back under franchise, where the community can enjoy benefits like undergrounding of aerial electrical wires **[Misleading: Boulder customers have already been paying for undergrounding but Xcel has not spent a dime of it here while we've been out of franchise.]** and a guaranteed \$3 million annual franchise fee paid to the city General Fund **[Misleading: The franchise fee will simply replace the Utility Occupation Tax, which already guarantees \$3 million annually. There is no change here – neither to customers' bills nor to the City budget.]**, to support public safety, libraries, parks, and streets. Under the settlement, Xcel commits to reduce greenhouse gas emissions by 80 percent by 2030 **[Misleading: Xcel is already required to do this under state law. (HB 19-1261). There is nothing additional here.]**, with binding interim requirements along the way. And to help the city achieve its goal of 100 percent renewable energy by 2030, the city and Xcel are entering into a partnership agreement under which they will experiment with innovative technologies and system designs that could not only achieve Boulder's goals, but which could also be replicated by other cities. **[Highly Misleading: The partnership agreement only commits Xcel to talk with Boulder about our wish list and share some data. There are no deliverables, timelines, due dates, or financing specified for any of the partnership projects. Plus, any climate-related carbon reduction or resiliency services (renewables, microgrids, etc.) that Xcel provides to Boulder that go beyond what Xcel provides to other customers Boulder taxpayers would have to pay for (State law CRS 40-3-106). In addition, if Xcel thinks the PUC won't approve any of these projects, Xcel doesn't have to do it. (Section 14.4)]** Finally, if, somehow, Xcel disappoints us along the way, the settlement allows the city to exit the franchise at five different times over the next ten years, allowing the city to pick up where it left off on municipalization, if this is the will of the community. **[Misleading: The "opt-out" provisions are toothless. They require an affirmative choice on the City's part but nothing from Xcel. If, instead, it were an "opt-in", Xcel would be incentivized to perform**

in order to get us to opt-in. But this is not the case.]

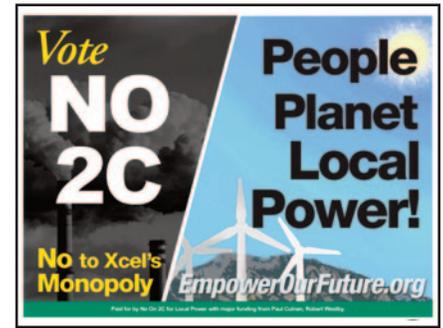
Why I like it: For those of us who have always been

opposed to the Muni, this is an easy vote. But, even those who have supported municipalization in the past might take a close look at the settlement terms. Under the settlement, the community is getting a lot of what it set out to achieve when the municipalization endeavor was launched in 2010, including a significant reduction in greenhouse gas emissions and more local control.

[Are we really "getting a lot?": Boulder has been very clear that we set out to achieve "3D's and 3R's": Decarbonization, Democratization, Decentralization, Rates that are competitive, Reliability, and Renewables. What does the franchise agreement give us?

- **Decarbonization – nothing faster than Colorado law already requires, unless we pay extra for it.**
- **Democratization – nothing. We're still subject to the Public Utilities Commission**
- **Decentralization – very little. Xcel has agreed to talk with Boulder about microgrids, etc. But, again, anything extra would have to be paid for by Boulder.**
- **Rates – Xcel has a long history of raising rates. Xcel has had a rate increase almost every year since 2006 and it has announced plans to continue to raise our rates going forward. The cost of renewables keeps going down — our rates should too!**
- **Reliability – Our neighboring municipal electric utilities (Longmont and Fort Collins) have 2-5 X better reliability than Xcel.**
- **Renewables – again, nothing faster than Colorado law already requires, unless we pay extra for it.]**

Historians will debate whether the 10 years and millions of dollars we spent to get here was worth it. **[Historians would also probably view with alarm a decision – in the midst of a climate crisis – to abandon work for 100% renewables by 2030 (Boulder's goal) and go with Xcel's aspiration to reach 100% by 2050 –**



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twenty years later.] But, those who still favor municipalization will need to consider their alternatives if the settlement is rejected. The city has spent \$25 million of the \$29 million in special tax that the voters authorized to pursue the Muni. With that money running out, we would need to find a new funding source **[Misleading: The responses to the recent RFP included offers of alternative financing to complete the utility.]** to continue to pay for the litigation against Xcel that is likely to extend for many more years, not including the

\$300 million to \$400 million (at a minimum) that it will take to actually start up a city-run electric utility. **[Misleading by innuendo: Start-up costs would be bonded and paid off from utility revenues, not from taxes.]** This is a good and fair settlement. **[Misleading: In the Settlement Agreement (section J.5.b.), Boulder and Xcel assert that they can continue fighting over the list of Xcel's assets that Boulder needs to condemn in order to acquire. How is this a "settlement?"]** I think we should take it.

SOME ADDITIONAL FACT-CHECKING:

Proponents of 2 C have stated:

At the Boulder Chamber of Commerce presentation 9/3/20 proponents stated: "This deal...costs us nothing. There is no commitment by the city to partner, to spend any money."

- **This is highly misleading. It "costs us nothing" only if we give up on our climate goals.**
- **There no enforcement mechanism or guarantee that Xcel will accept Boulder's proposed projects. Like any business, Xcel will evaluate projects using on its own profit-based criteria.**
- **There is no commitment on the part of the Public Utilities Commission that it will approve Boulder's projects.**
- **Furthermore, there is no place in the agreements where Xcel actually commits to contributing funds to any of the partnership programs. While Xcel says it will help in the funding search, ultimately, the responsibility for finding the needed funds will fall to the city. It only costs us nothing if we are happy doing nothing beyond Xcel's business as usual energy plans to reduce GHG emissions.**

At the Boulder Chamber of Commerce presentation 9/3/20 proponents stated: The city "...has no choice but to settle with Xcel at this time."

This is not true. There is the viable option to continue staying out of franchise as we are now, and have been for ten years.

The Yes on 2C & 2D website has an FAQ that says the settlement deal was not rushed.

This is not true. At the August 4th meeting, Tom Carr said "This is coming together very fast... I would like a month to draft these agreements, but we are doing this in a matter of days." And towards

the end of the August 20th meeting (actually after midnight) the City Council, Carr and Jackson were negotiating changes to the opt-outs portion of the agreement just before the vote.

The Yes on 2C & 2D website has been saying for quite some time (most recently verified 10/15/20) under the FAQ about who decided we should settle: "Council voted unanimously to place that community approval [i.e. the agreements] on this fall's ballot as measures 2C and 2D." **This is a lie.**

Yes on 2C & 2D is ignoring the votes of Councilman Adam Swetlik and Councilwoman Junie Joseph who voted against putting the proposed Xcel franchise on the ballot on 2nd reading on August 20, 2020. Councilwoman Mirabai Nagel was not present, so was not able to vote NO. Councilwoman Nagel supports NO on 2C.

And among the many things that Xcel claims...

During the August 20th City Council meeting, in response to a question about future rates, Alice Jackson (president of Public Service / Xcel Colorado) said that rates (not bills) for residential and commercial have declined over the past 5 years. **This is not true.**

There were rate increases in 2015 and 2020. A web search revealed an article by the *Denver Post* dated December 31, 2019, discussing the 2020 rate increase of \$41.5M, which was down from the \$158M Xcel had sought. Jackson blatantly misled the Council and the public.

While we are on the subject of rates, Xcel is being challenged on a July 17, 2020, Advanced Grid Rider it filed with the PUC for approval of a \$52.7M rate increase to replace meters. Xcel requested a rate hike take place automatically without a public hearing. So much for transparency, partnership and trust.