



Boulder's Energy Future Today

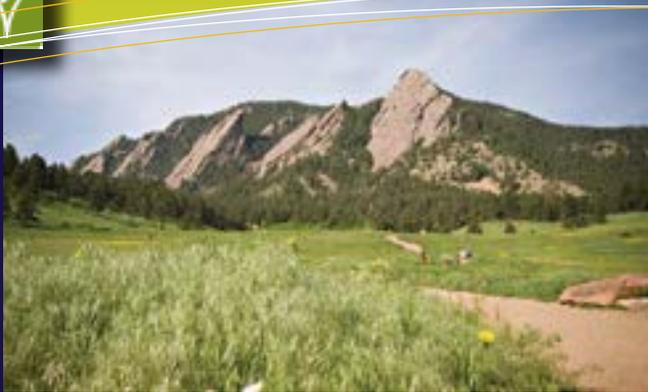
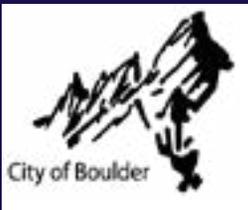
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Municipalization Charter Requirements

The city must meet these criteria, at a minimum, to form a local electric utility:

- Rates cannot exceed Xcel's rates at the time of acquisition.
- Revenues must be sufficient to pay for operations and debt, plus an amount equal to 25% of debt payments.
- System reliability must be ensured.
- The city must have a plan to show it can reduce greenhouse gas emissions and increase renewable energy sources.
- The city's information must be verified by an independent, third-party analyst.



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Executive Director Heather Bailey: Thank you Boulder, we couldn't have gotten this far without your support

Wow, I can't believe it's already December! City staff has had an amazing year, and I have had an intense, but rewarding, six months. Since my arrival in June, I have had the pleasure of meeting and working with some of the most sincere and engaged residents and business owners in Boulder. Through numerous community meetings, one-on-one sessions, invitations to speak at non-city events and lunches, and other chats, new relationships have been forged, assistance has been provided and many new ideas have been brought to light. I truly believe that this city-community partnership will allow us to reach the community-supported goals set forth by the Charter and City Council and will set this great city on the path to creating a greener, sustainable future for everyone. As you'll read in this newsletter's "Year in Review" (page 2), the city and the community have already accomplished so much while charting Boulder's Energy Future.

While there have been many achievements in 2012, one in particular stands out for me. In July, I had the privilege of presenting to City Council for the first time during a study session. There I outlined our road map for future work, what we're now calling the "work plan." The plan laid out steps for 2012 and beyond and provided details about what we all need to do in order to move forward successfully. While I was definitely nervous, the community's and council's support quickly calmed my fears and helped me realize that we're all in this together. This effort isn't about what the City of Boulder wants; it's about what the Boulder community has said it sees as the future of energy sources and uses in the area, the region and in the nation.

The July study session was the first of many council meetings that I presented at this year. These are important and valuable check-in points, but so are the many non-city meetings and events I've been invited to attend and informal chats I've had. Through these, I've connected with people with different perspectives on the project who have provided insight and information

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that has helped make our work even more relevant and thorough. We have some significant deadlines and milestones ahead, but we're far from done and we need your collaboration now more than ever. In late February, we'll be asking the entire community to review and comment on the strategies we'll be asking council to consider (see page 4 sidebar). The strategies selected in the first half of this year will put us on the road to creating the utility of the future.

Thank you, Boulder, for all your help and for welcoming me into your community. We couldn't have gotten where we are today without your assistance. I sincerely hope you have a wonderful holiday season and I look forward to working with you in 2013.

Heather Bailey, Executive Director of Energy Strategy and Electric Utility Development

Santa has a large carbon footprint

During Santa Claus' approximately 122 million-mile trip around the world, he will release roughly 69.7 million metric tons of carbon emissions. Here's a snapshot of where those emissions come from:

- **Reindeer** - A full team of Tundra reindeer will emit 40,668 metric tons equivalent of carbon dioxide (mtCO₂e), most of which is methane.
- **Lumps of Coal** - A typical lump of coal, like the kind that could be found in a child's stocking, weighs approximately six ounces. If 1/5 of all children in the world are on the naughty list, 75,000 tons of coal will be left in stockings. 194,591 metric tons will be emitted if that coal is burned.
- **Toys** - Toys are the largest contributor to Santa's carbon footprint. When you add up production, assembly, packaging and eventual disposal, toys for good children will release 68.1 million mtCO₂e.
- **Milk & Cookies** - Yes, even leaving out treats for Santa comes at a cost to the environment. It takes about 750 to 900 grams of carbon emissions per kilogram of food to produce milk and cookies. If everyone leaves them out for Santa, that's 8,960 mtCO₂e.
- **Santa's Workshop** - The workshop is probably comparable in size to large-scale manufacturing factories, which have an average emissions of 983,000 mtCO₂e.
- **Wrapping Paper** - In general, if every good child receives one wrapped present from Santa, it will produce 284,493 mtCO₂e.

Sources: snopes.com/Energy.GS/TheGuardian.CO.UK/PlanetGreen.com/CarbonFund.org/EIA.gov/CIA World Factbook/NY Times/Greenblizzard.com/Nashua Telegraph/Rivertown.patch.com

Boulder's Energy Future - 2012 year in review

Since the election in November 2011, the city, the community, retained experts and legal counsel have been extremely busy working towards realizing Boulder's Energy Future and trying to discover ways to meet both the goals established by the Charter and those laid out by the community and City Council. All of this work is in an attempt to provide Boulder residents, businesses and institutions with increasingly cleaner electricity that is reliable and competitively priced, and to give customers more of a voice in regards to their energy needs.

We've come a long way since November. This is by no means an all-inclusive list of events, but here's a look back at some of what has gone on in 2012. If you see an item that you'd like more information on, visit www.BoulderEnergyFuture.com and check out the "previous events" site or the "2012 News" section.

January 2012

With the Charter requirements and community goals as guides, the city started forming the Energy Future project team and establishing the work plan necessary to move forward with the municipalization exploration study. Acquisition lawyers were retained to provide expert legal and engineering assistance, and a search firm was hired to help fill the new Executive Director of Energy Strategy and Electric Utility Development position.

The original work plan, available in the Jan. 31 City Council memo, laid out the goals, the budget and next steps towards determining if creating a city-owned and operated electric utility was feasible. In addition, the city looked at lessons learned from the Climate Action Plan and began to establish an Energy Action Plan that would inform and support both climate action and Energy Future short- and long-term goals for the city organization.

February 2012

Much of this month was spent briefing the recently retained legal team about the project and community goals and developing possible legal strategies for moving forward with the municipalization study. Legal specialists in Federal Energy Regulatory Commission (FERC) proceedings joined the team to

help determine additional costs associated with the creation of the municipal electric utility. The search for an Executive Director was refined, and the city team continued its work on the climate action framework and Energy Action Plan.

In addition, the City Attorney's Office and Local Environmental Action Division stepped up their focus at the Colorado Public Utilities Commission (PUC) as Xcel Energy filed a motion to limit and block Boulder customer's access to energy-efficiency programs offered by the company.

March 2012

After an extensive search, two finalists were chosen for the Executive Director position. The two candidates were invited to Boulder for a final round of interviews and to provide presentations to the public.

At a roundtable meeting, council and the public learned more about the work plan, noteworthy PUC and state legislation items, and heard about the Environmental Advisory Board's new task of directing and evaluating the climate action framework and energy action plan progress.

In addition, the city hosted two focus groups with members of Boulder's business community to hear from individuals who have concerns or questions about the feasibility and value of creating a municipal electric utility and to help staff refine communications and outreach efforts for 2012.

April 2012

Heather Bailey accepted the executive director position. Ms. Bailey was tasked with providing direction in the creation of both short- and long-term energy strategies, guide the city in implementation of new methods of energy management and pursue the next steps in the analysis of potential municipalization of Boulder's electric distribution system.

While staff continued its focus on the work plan and PUC matters, the communications and outreach team set up the first Walk-in-Wednesday public meeting where anyone was free to participate in a open conversation about all things energy. In addition, the city launched a speaker series to educate

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interested individuals about issues surrounding climate change and energy. Topics presented by guest lecturers included: *Communicating Climate Change*; *Population, Arithmetic and Energy*; and, *Innovative Technologies Available to a Municipality*.

While all of this work was taking place at the city, Xcel Energy was putting the finishing touches on a \$114 million electric rate-hike agreement with the PUC, which raised the typical residential bill, in three annual steps, by a total of \$3.70 a month, or about 5.5 percent.

May 2012

Cognizant that the CAP tax was expiring, the city worked with consultants and community members to gather ideas about possible energy efficiency programs and approaches in 2013 and beyond. These conversations formed the basis for recommendations about the Climate Action Plan (CAP) tax and programs that future funds might support.

Council was provided with an update on all the work that had transpired since the Jan. 31 Study Session. Highlights included:

- The creation of a plan for inventorying local distribution system assets, which will be used to help put a value on the system.
- Strategies that would help the city comply with state and federal regulatory requirements associated with forming a utility.
- Additional, enhanced resource modeling performed to verify feasibility while maintaining rate parity at various levels of renewable energy resources.

Also at the session, Rocky Mountain Institute (RMI) presented its independent analysis of CAP-funded programs. RMI urged continued support and funding for programs and encouraged the community to make even more substantial improvements to address climate change. The report concluded that Boulder has attained impressive energy savings and emission reductions, and is well positioned to achieve future emissions reduction targets.

In addition, Energy Future outreach came to the Farmer's Market to give attendees a convenient way to receive information and ask questions.

June 2012

Thanks to diligent staff and community efforts, the PUC rejected Xcel's bid to limit and block Boulder customers' access to energy programs, like solar rebates and Windsource. The decision preserved the status quo for Boulder's Xcel customers while the city continued its municipalization exploration study.

The city also held a climate action open house to give people a chance to help plan the community's Energy Future. Specifically, attendees learned why climate action is imperative, provided ideas for future city-supported climate action services, weighed in on the new climate action framework and climate commitment goals and targets, and helped shape the Energy Action Plan that spells out a range of strategies that the city and community can partner on to achieve shared environmental and economic objectives.

July 2012

Executive Director Bailey presented her draft work plan to City Council that refined and updated the previous plan and laid out the roadmap for creating the utility of the future. The plan spells out the steps staff, consultants and community members will take in a variety of areas to identify and weigh potential strategies for meeting the community's energy goals. Any and all potential strategies will have to meet voter-approved requirements (page 1 sidebar) and associated guiding principles. The new work plan lays out the in-depth analysis necessary to determine the best possible plan of action. It also established a three-phased approach for strategy development, refinement, and implementation.

August 2012

Staff returned to council with a work plan that was updated and refined using feedback heard at the July 24 Study Session. The revised plan included key strategy development inputs, which include: financial, legal, resource mix, asset valuation, reliability, decision analysis and communication

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How Santa could reduce his carbon footprint

As you read on page two, Santa isn't very green when it comes to his operations. Here are steps he and the rest of us can take to make sure we all have a more environmentally friendly holiday:

- Proposed by General Electric, a redesigned sleigh could help create less ice buildup and wind resistance, allowing Santa to travel over long distances more quickly, using fewer resources. Installing sodium batteries would also help with his hybrid locomotion.
- Instead of leaving lumps of coal for naughty children, give them an alternative form of energy generation, like a tiny wind turbine or pinwheel, or a few organic, locally grown lemons.
- Instead of using store-bought wrapping paper, which is also loaded with toxic dyes, Santa, and the rest of us, could use recycled paper, natural fiber fabrics, or sustainable, biodegradable paper.
- Give Santa locally made cookies and milk. Buying local cuts down on carbon dioxide emitted from transportation and refrigeration. Try soy milk too, since soy beans absorb rather than emit carbon dioxide.
- Santa's workshop can take advantage of the periods of 24-hour sunlight at the North Pole by adding solar panels to the factory.
- Changing the types of toys delivered will have the largest impact on reducing the amount of carbon emissions. Santa could choose to make eco-friendly toys made from 100 percent recycled material. He could also give digital formats of video games, movies and music instead of a physical copy.
- Don't give gifts that use batteries or need to be plugged in. If you do plan on this, invest in rechargeable batteries and a charger.
- Decorate with candles, but consider LED-lit candles instead of open flames.

Sources: Infographic created by Kim Hohman at Ethical Ocean

Focused feedback opportunities on energy strategies in the planning stages

Because the city and community stakeholder groups need additional time to process and incorporate consultants' findings, a public-vetting period scheduled for January will now start in late February.

The public is invited to review and provide input on possible strategies for moving forward on our energy goals starting on Feb. 21, when they are outlined in a memo to City Council. Council will hold a study session on Feb. 26 to learn more about how the options were developed and discuss trade-offs associated with them.

Council will return to the issue on April 16, with a public hearing and a vote on the recommended strategies.

Feedback will be collected from Feb. 21 through April 16. The city is, however, planning a focused input period from March 6 through March 15. It is likely there will be a community open house as well as other in-person and online opportunities to provide feedback. Strategies will be posted on the project website and an electronic comment form will also be available. Details will be announced soon.

Input received from the public could result in revisions to the staff's recommendation. All comments that are received will be shared with City Council.

Year in review continued from page 3

and outreach. In addition, staff laid out draft metrics that will be used to analyze all facets of any proposed strategy to determine if Charter requirements can be met. The metrics were created with help from stakeholders with a diverse set of perspectives.

September 2012

With an approved work plan and direction from council, staff dove into the assigned tasks and started gathering the data and resources needed to develop a strategy or multiple strategies. Specialized teams were formed to analyze legal, financial and technical strategies with the hope of making a recommendation to council in February 2013.

October 2012

Staff returned to council in October to further discuss and seek approval of the municipalization Charter requirement metrics. Council determined that more analysis of the metrics was needed and asked staff to come back with answers to its questions and additional community input on the metrics.

November 2012

Staff returned to council with revisions and new

feedback on the metrics. After deliberation, council approved the updated metrics and gave its approval for moving forward on strategy development. To be clear, the metrics won't be the only criteria staff and council will use to make a decision. These criteria strive to answer the question: CAN the city municipalize and meet voter-approved requirements. Staff and council will also use the project goals and objectives to help answer if the city SHOULD municipalize, which means that enough value is added to the community to pursue this effort.

December 2012

Work is well underway. Several stakeholder work groups have been formed to help the city work through each of the focus areas that will need to be analyzed prior to providing a recommended strategy(ies) in February.

In addition, the city selected industry experts in the areas of finance and engineering to assist in the ongoing efforts to consider the creating of a city-owned utility. Consultants are preparing recommendations and reports that will guide the development of staff recommendations in the New Year.

Upcoming opportunities for you to get involved

Tuesday, Feb. 26 - 6 p.m. - 1777 Broadway - Study session with City Council on possible energy strategies - Meeting will be aired and streamed live on BoulderChannel8.com.

- City Council will receive new information about how Boulder can best meet its energy goals. A memo is expected to be released on Thursday, Feb. 21, in advance of this session.
- Possible strategies based on staff, consultant and stakeholder group analysis will be presented and discussed. No decision will be made at this meeting, but council will provide questions for staff to answer as well as general feedback before staff returns to council in April.
- See the sidebar on this page for more information about how you can provide feedback on the recommended strategies

Tuesday, April 16 - 6 p.m. - 1777 Broadway - Meeting with City Council and public hearing on recommended energy strategies - Meeting will be aired and streamed live on BoulderChannel8.com.

- Staff will return to council with answers to questions posed on Feb. 26 and with a recommended strategy or strategies about how to achieve Boulder's energy goals.
- Public comment will be heard at this meeting.
- Decisions made at this meeting will guide the next phase of the city's work.



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