



# Boulder's

# Energy Future *Today*

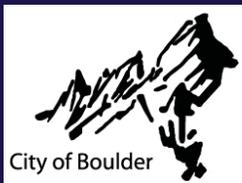
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## Municipalization Charter Goals

The city must meet the following criteria 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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## Work plan will guide local electric utility strategy efforts

The Energy Future project team, consultants, technical specialists and Boulder community members are developing a draft work plan that will guide the city's continued exploration into the feasibility of creating a local electric utility, also known as "municipalization."

The plan will spell out the steps the city will take, in a variety of areas, to identify and analyze potential municipalization strategies. The potential strategies will have to meet community-established and voter-approved requirements and guiding principles (See Page 1 sidebar). The work plan lays out the in-depth analysis necessary to determine the best possible plan of action for meeting the community's energy goals.

With the creation of an integrated legal team and the arrival of Executive Director Heather Bailey in June, the city is well-poised to perform the necessary analysis and take concrete steps in court and before relevant regulatory bodies to determine if municipalization is achievable.

Work over the next several months is expected to be intense. City staff, community experts and hired consultants will be analyzing legal, financial and technical strategies to achieve the requirements and guiding principles of the charter with hopes of making recommendations to City Council in December 2012 or early 2013.

Strategies under review are geared toward accomplishing a successful municipalization effort, keeping in mind that there may be variations to municipalization that meet the community's energy objectives.

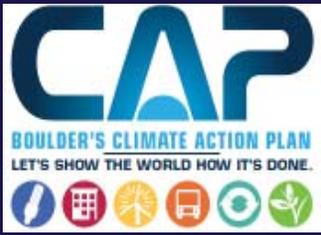
The work plan will include more than just legal work related to acquiring Xcel Energy's system at a reasonable price. Exploration will also include efforts by staff, in many cases teamed with community members who have specialized knowledge, on other important areas, including finalizing a work plan, setting detailed evaluation criteria, analyzing financial scenarios, determining an ideal resource mix to increase renewable energy and ensuring reliability.

Project areas include, but are not limited to:

- Refining project metrics based on the goals and guiding principles of the municipal exploration charter;
- Evaluating all legal issues;
- Defining the desired and viable resource mix to reduce greenhouse gas emissions;
- Evaluating reliability requirements; and,
- Engaging the public to provide timely information and collect feedback on the development of strategies.

In early August, consultants, local industry experts and members of the community provided feedback on the draft work plan. Their input is being integrated into the plan in order for City Council to provide final guidance at a Study Session on Tuesday, Aug. 28. Read the "upcoming events" on page four to learn more about the Study Session.

The draft work plan will be available for review on the Energy Future website by Wednesday, Aug. 22.



## NEW Climate Action website launched

A new website has been created to help residents and business easily learn more about many of the services available to them to reduce community greenhouse gas (GHG) emissions.

Energy efficiency programs and services available from the city and its partners are funded by the Climate Action Plan tax that Boulder customers pay on their monthly Xcel Energy bills.

The Climate Action Plan (CAP) is an integrated, aggressive set of programs and strategies designed to meet the community's goal of reducing GHG emissions and address the growing impact of human activity on global climate change.

Visit [www.BoulderColorado.gov/climateaction](http://www.BoulderColorado.gov/climateaction) today and see what you can do to help.

## CAP tax extension ballot set for final reading Aug. 21

City Council is moving significantly closer to a final decision about whether to ask voters this November if they will continue to support the Climate Action Plan tax. Council is slated to discuss the possible ballot measure one last time at a meeting on Tuesday, Aug. 21.

On Aug. 7, council voted unanimously in support of some slight revisions to a Climate Action Plan tax (CAP tax) extension ordinance. The changes included setting the timeframe for the extension to five years, instead of 10-years as originally considered. The city opted for the five-year option after receiving results of a recent public phone survey and after listening to community feedback. (Learn more about the survey and its results on page three of this newsletter).

The Climate Action Plan (CAP) is an integrated, aggressive set of programs and strategies to reduce Boulder's greenhouse gas emissions and address the growing impact of human activity on global climate change. The CAP tax, which is used to fund many CAP programs, services and incentives, was originally approved by voters in 2006 and implemented in 2007. The CAP tax was the nation's first tax on consumers' energy use.

City residents and businesses are taxed based on the amount of electricity they consume. Under current CAP tax rates, residential customers pay an annual average of \$21, commercial customers contribute approximately \$94, and industrial users pay around \$9,600. This amounts to about \$1.8 million annually.

Since CAP programs formally began, the community has been able to level off its carbon emissions output and begin seeing modest reductions in some areas. A recent report showed that Boulder's emissions were 4.5 percent less in 2011 than they would have been had pre-CAP trends continued. A recent report by local consultant RMI found that current CAP programs are working and will get better over time if they are allowed to continue. Another report from the Brendle Group in July laid out a package of enhanced and new programs that could significantly ramp up energy savings for program users and reduce the amount of greenhouse gas emissions released into the atmosphere.

In the spirit of continuous improvement, the city has been working with the community to better define how we want to address climate action in the future. While these efforts are continuing, the current recommendation is to move away from a plan that is mostly implemented by the city and move toward a community commitment toward carbon neutrality. Part of this shift would include the creation of short-term, highly measurable targets so we, as a community, can better track our progress.

The city is also exploring the possibility of creating a local electric utility to address the carbon intensity of our current energy supply and increase the use of renewable energy sources. While climate action and the study of municipalization are motivated by many of the same objectives, they are not dependent upon one another. In fact, many people who have questions about the feasibility and value of municipalization have expressed their support for a continued emphasis on efficiency and conservation.

Reducing our energy use has been a fundamental part of Boulder's environmental commitment for many years – and if the tax that funds these efforts is extended by voters this November, efficiency and conservation programs and services will remain at the core of our efforts. This is true regardless of whether the city chooses to create a local energy utility.

Our community understands that where our energy supply comes from really matters. The more we reduce our dependence on fossil fuels and tap renewable sources of energy to generate the electricity we use, the less greenhouse gasses we emit, contributing to a healthier and more sustainable community. That is one of the fundamental reasons the city has embarked on the study of municipalization.

At the same time, though, we all know that the very best way to reduce greenhouse gas emissions and address climate change, right here, right now, is to use less energy to begin with. That is what the city's programs are all about. That goal will be as urgent tomorrow as it is today, no matter what the outcome of the municipalization study is.

# Survey reveals support for renewal of Climate Action Plan tax this November

According to the results of a recent telephone survey, a majority of Boulder voters are in favor of renewing the city's Climate Action Plan (CAP) tax this November.

The city hired National Research Center, Inc. (NRC), in June to conduct a survey of registered and likely voters in the city. The Climate Action Plan Tax (CAP tax) survey was designed to gauge the perspectives of voters on the proposed renewal of the CAP tax along with the potential renewal of a .25 percent sales and use tax currently earmarked for Parks and Recreation and a Boulder County sustainability tax. While the sales and use tax renewal is still under consideration, Boulder County has decided not to pursue their tax on this year's ballot.

The CAP tax was originally approved by voters in 2007 and has been used to fund programs like EnergySmart and rebates and incentives aimed at reducing greenhouse gas emissions and increasing energy efficiency in Boulder. Of the 2,100 voters randomly selected to participate in the survey, 400 completed interviews, providing a response rate of 19 percent.

## Survey Findings:

There was clear support for extending the CAP tax, and strong supporters outnumbered those in strong opposition by a margin of three to two. Broken down, 58 percent of respondents said they either "somewhat support" or "strongly support" extending the tax. Thirty-four percent said they either "somewhat oppose" or "strongly oppose" the extension. Eight percent did not

know either way when asked about their feelings on the potential extension.

At the same time, nearly half of the respondents indicated that they did not have sufficient information to determine how effective the tax has been. That finding suggests that the city could do a better job at explaining what the money has been used for and providing the community with valuable analysis, such as a recent report issued by a third-party consultant that showed the tax money has been spent in cost-effective ways, could be helpful. (Link to RMI report at-a-glance sheet).

Respondents were presented with four different extension time lengths: 27 percent said they were in favor of a five-year extension; 20 percent were in favor of less than five years; 19 percent said 10 years, and 11 percent wanted to see an unlimited extension. Regarding the extension of the .25 percent Parks and Recreation tax, 70 percent of respondents either "strongly supported" or "somewhat supported" continuing the tax, while 24 percent either "strongly" or "somewhat" opposed the extension.

The sidebar on this page also provides some additional survey information highlights.

The proposed CAP tax renewal ballot language received a second reading from City Council on Aug. 7. (Learn more about that meeting on page two), and will now be heard for a third and final time on Tuesday, Aug. 21, before potentially being placed on the Nov. 6 ballot for voters to decide.

## Climate Action Plan tax survey highlights

- 58% "somewhat support" or "strongly support" extending the CAP tax
- 34% "somewhat oppose" or "strongly oppose" extending the CAP tax
- 42% believe in the programs supported by the funds
- 38% support environmental programs
- 27% were in favor of a 5-year extension. This timeframe received the highest support
- 70% were in favor of extending the .25% tax for Parks and Recreation
- 94% said that the quality of life in Boulder was "good" or "excellent"
- 6% said that the quality of life in Boulder was "fair" or "poor"

The margin of error is plus or minus five percentage points around any given percent for the entire sample.



## Energy Saving Facts

By implementing a few inexpensive energy-efficient measures, like light bulbs and programmable thermostats, you can reduce your energy bill by 10 to 50 percent. This could equate to a savings of \$140 to \$700 annually.

The average American family uses 182 gallons of water each day, two to four times the average consumption of a family in Europe. About 40 percent of Europeans water is used within the home and the remaining 60 percent outside for gardens and landscaping.

The average American generates over 1,600 pounds of trash per year, more than twice the trash of the average European. If all Americans recycled paper, plastic, aluminum cans and glass bottles, 51 percent of our waste would be diverted from landfills. If all Americans composted food scraps and yard waste, another 25 percent would be diverted. That's 76 percent!

According to the United Nations, it would take three Earths to support everyone in a consumption-oriented western lifestyle. While reducing overall consumption is of importance, wisely choosing what you purchase and how it is packaged provides manufacturers with feedback about consumer demand.

Driving two fewer days per week can save about 143 gallons of gasoline and keep about 2,778 pounds of CO<sub>2</sub> out of the atmosphere in one year.

Information according to [www.eco-efficiency.com](http://www.eco-efficiency.com).



## Upcoming Events

### City Council Meetings:

#### Third reading of proposed CAP Tax extension ballot language

Tuesday, Aug. 21 – 6 p.m.

City Council Chambers – 1777 Broadway

City Council will hear the third and likely final reading of the Climate Action Plan (CAP) tax ballot language that will be placed on the Tuesday, Nov. 6 ballot. On Election Day, Boulder voters will decide if they want to continue funding many of the programs and services aimed at reducing greenhouse gas emission in the city. Learn more about the climate action commitment, the CAP tax, and programs and services available to residents and business at [www.BoulderColorado.gov/climateaction](http://www.BoulderColorado.gov/climateaction).

### Study Session

#### Municipalization Exploration Project Work Plan

Tuesday, Aug. 28 - 6 p.m.

City Council Chambers – 1777 Broadway

Executive Director of Energy Strategy and Electric Utility Development Heather Bailey will present the work plan that will guide the exploration of forming a municipal electric utility. While the community has been given opportunities to comment on the draft plan in advance, no additional public comment will be heard at this meeting. The Study Session will be aired live on Boulder Channel 8 – [www.boulderchannel8.com](http://www.boulderchannel8.com). Learn more about the proposed work plan on page one of this newsletter.



Executive Director of Energy Strategy and Electric Utility Development Heather Bailey (center) and other city staffers toured an electric substation.



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