

# Colorado's Energy Policy & Regulation Relative to Progressive Policy Trends

Many states are showing leadership in implementing policies and regulations designed to transform energy markets in support of goals like carbon reduction, efficiency, affordability, and customer choice. Colorado both leads the way and shows areas for improvement. This fact sheet summarizes Colorado's performance across several policy indicators and lists some states that are leading the way in moving toward an "electric utility of the future." This summary provides some insight into opportunities where Colorado could be a leader.

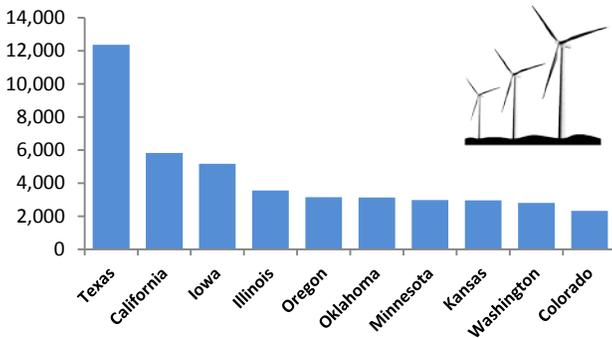
## Reducing Carbon Emissions

### How much renewable energy does Colorado generate?<sup>1</sup>

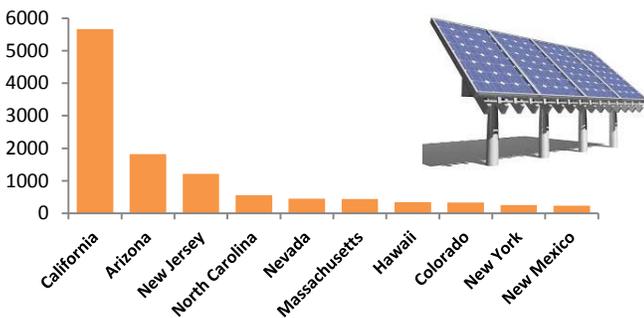
<b>Primary Electricity Generation Source:</b>	<b>Coal</b>
<b>Percent of Electricity Generated by Renewables:</b>	<b>16.6%</b>
<b>National Rank, Renewable Generation in MWh:</b>	<b>15th</b>
<b>National Rank, Wind Generation in MWh:</b>	<b>9th</b>
<b>National Rank, Solar Generation in MWh:</b>	<b>8th</b>

Colorado is one of 30 states (including D.C.) that has a mandatory renewable portfolio standard (RPS). Investor-owned utilities must generate 30% of the electricity they sell from renewable energy by 2020. However, Colorado is one of the 13 states that allow utilities to achieve compliance by receiving "extra credit" for certain types of renewable energy systems—meaning that the RPS policy could lead to less than 30% actual renewable energy generated.

#### Top 10 U.S. States for Installed Wind Capacity (MW):



#### Top 10 U.S. States for Installed Solar Capacity (MW):



Generation data for calendar year 2013; Capacity data as of Dec. 2013

### How energy-efficient is Colorado?<sup>2</sup>

ACEEE ranked Colorado 13<sup>th</sup> in the country in 2014 for energy efficiency performance. States that ranked higher than Colorado include Massachusetts, Rhode Island, Connecticut, and Washington.

- |                 |                                    |
|-----------------|------------------------------------|
| 1 Massachusetts | <b>Notable State Achievements:</b> |
| 2 California    |                                    |
| 3 Oregon        |                                    |
| 4 Rhode Island  |                                    |
| 5 Vermont       |                                    |
| 6 Connecticut   |                                    |
| 7 New York      |                                    |
| 8 Washington    |                                    |
| 9 Maryland      |                                    |
| 10 Minnesota    |                                    |
| 11 Illinois     |                                    |
| 12 Michigan     |                                    |
| 13 Colorado     |                                    |
- MA, RI:** Statutes require utilities to make acquiring all cost-effective energy efficiency measures a higher priority than using other resources.
- CT, WA:** Statutes require utilities to pursue all available energy efficiency and demand reduction resources that are cost-effective, reliable, and feasible.

### Can I have solar on my roof?<sup>3</sup>

Yes, Colorado is one of 44 states that allow customers to net meter rooftop solar up to a certain level of production. Colorado is ranked #1 in net metering nationally according to the *Freeing the Grid 2014* report, although it is ranked #19 for interconnection standards—the ease with which solar can be connected onto the grid. The Solar Energy Industries Association ranked Colorado 10<sup>th</sup> nationally in solar capacity installed in 2013. However, changes have been proposed to net metering policy at the Colorado Public Utilities Commission that may negatively impact rooftop solar going forward.

### Does Colorado have a state plan to reduce carbon emissions?<sup>4</sup>

Nearly 40 states, including Colorado, have in place a climate action plan to address climate change. Colorado's was enacted in 2007. However, 14 states have in place greenhouse gas (GHG) performance standards for power plants or cap-and-trade programs, which are not included in Colorado's climate action plan—California, New York, Oregon, and Washington have enacted mandatory GHG emissions standards that impose enforceable limits on certain electricity generating units.

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## Customer Choice & Control

### Can I choose my electric provider?<sup>5</sup>

No, Colorado customers cannot select their electric provider, at a retail or a wholesale level. 15 states are “deregulated” to varying degrees, in that customers can choose from whom they purchase power.

### Can my community purchase green power on my behalf?<sup>6</sup>

No, Colorado does not allow “community choice aggregation” (CCA), which provides the ability for cities and counties to select alternative power supplies on behalf of their residents and businesses. CCA is allowed in Massachusetts, Ohio, California, New Jersey, Rhode Island, and Illinois.

### Can I obtain useful energy data?<sup>7</sup>

Colorado has rules that allow customers to access their own electricity data and transfer it to third parties. Some utilities have voluntarily committed to provide data in Green Button format. However, Colorado's rules do not yet meet best practices for data access, as they currently limit the ability of building owners to track and improve energy performance and local governments to implement energy programs.

### Can I opt into a rate that rewards me for managing my energy use?<sup>8</sup>

Utilities in Colorado have offered some time-of-use pilot programs that can reward customers for changing the timing of their electricity use to help reduce peaks in demand. There are also some limited residential and commercial demand response offerings.

## Reliability & Resilience

### Does Colorado have a “smart grid”?<sup>9</sup>

The GridWise Alliance and the Smart Grid Policy Center ranked Colorado 32<sup>nd</sup> in the country in grid modernization, which they measured based on deploying smart grid technologies, enabling customer engagement, and providing state support. They measured customer engagement in part by whether utilities installed technologies and capabilities that enable customers to choose different rates or incentives, or obtain better information about their electric usage. Education and communication were also factors.

## Energy Market Transformation: States Are Leading the Way to the “Utility of the Future”<sup>10</sup>



**New York** is exploring how to transition its energy industry to facilitate more renewable energy, wider deployment of distributed energy, and greater customer empowerment through their “[Reforming the Energy Vision](#)” Initiative.



**Maryland** is considering how to redesign the “utility of the future” to invest in grid resilience and meet changing customer needs through “[Utility 2.0](#).”



**Hawaii** is requiring state utilities to address renewable energy integration challenges through four major [decisions](#).



**Massachusetts** lawmakers considered, but did not pass, a “[minimum bill](#)” [proposal](#) that would have created a variation to net metering.



**Minnesota** allows utilities to provide customers with access to a “[value of solar](#)” [tariff](#), although so far, no utilities have elected to offer it.



**Illinois** is allowing utilities to test [performance-based ratemaking](#) to incentivize smart grid investments.



In 2013, **California** set a target that investor-owned utilities install [1.3 GW of energy storage](#) by 2020. Governor Jerry Brown recently proposed increasing the state's RPS to [50% by 2030](#).

## Additional City Policy Research

- [Exploring Alternative Opportunities for Reaching Boulder's Energy Future Goals](#) (2012)
- [Att. E, Qualitative Analysis and Progressive Electric Utility Practices](#) (2013)

## Contact

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## Sources

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<sup>2</sup>American Council for an Energy-Efficient Economy [ACEEE], *The State Energy Efficiency Scorecard 2014* (Oct. 2014), <http://www.aceee.org/state-policy/scorecard>.

<sup>3</sup>Interstate Renewable Energy Council & Vote Solar, *Freeing The Grid 2014: Best Practices in State Net Metering Policies and Interconnection Procedures* (Nov. 2014), <http://freeingthegrid.org/#download-ftg/>.

<sup>4</sup>Center for Climate and Energy Solutions [C2ES], *All State Initiatives* (Feb. 2014), <http://www.c2es.org/docUploads/all-state-initiatives-feb-2014.pdf>; C2ES, *Standards and Caps for Electricity GHG Emissions*, <http://www.c2es.org/us-states-regions/policy-maps/electricity-emissions-caps> (last visited Jan. 2015).

<sup>5</sup>EIA, *Status of Electricity Restructuring by State* (Sept. 2010), [http://www.eia.gov/electricity/policies/restructuring/restructure\\_elect.html](http://www.eia.gov/electricity/policies/restructuring/restructure_elect.html).

<sup>6</sup>Local Energy Aggregation Network [LEAN US], *CCA Across the Country* (Oct. 2014), <http://www.leanenergyus.org/cca-by-state/>.

<sup>7</sup>OpenEI, *Utility Data Access Map*, [http://en.openei.org/wiki/OpenEI:Utility\\_data\\_access\\_map](http://en.openei.org/wiki/OpenEI:Utility_data_access_map) (last visited Dec. 2014); ACEEE, *Best Practices for Working with Utilities to Improve Access to Energy Usage Data* (June 2014), <http://www.aceee.org/files/pdf/toolkit/utility-data-access.pdf>.

<sup>8</sup>EnerNOC, Inc., *SmartGridCity™ Pricing Pilot: Impact Evaluation Results, 2011-2013* (2013), [https://www.dora.state.co.us/pls/efi/efi.show\\_document?p\\_dms\\_document\\_id=280214&p\\_session\\_id=](https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=280214&p_session_id=)

<sup>9</sup>GridWise Alliance and Smart Grid Policy Center [SGPC], *2014 Grid Modernization Index* (Nov. 2014), <http://www.gridwise.org/>.

<sup>10</sup>Energy Market Transformation—"Utility of the Future" States:

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