



Boulder's

Energy Future *Today*



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Did you know?

There are currently 29 municipal electric utilities in Colorado including Fort Collins, Longmont and Colorado Springs, and there are over 2,000 municipal electric utilities in the United States.

Although the U.S. only accounts for 5% of the world's population, Americans consume more than 21.7% of the world's primary energy.



City Manager: Charting our community's path, together

Welcome to the first edition of the new monthly Boulder's Energy Future Today newsletter. I am proud to be part of a community that, over the years, has shown such a commitment to climate and energy issues. As we continue to explore ways to achieve our shared sustainability goals, we, at the city, want to help keep you informed and create opportunities to hear your ideas, concerns and suggestions. We hope this newsletter will be a valuable source of information. You may recall that our community started this journey with a set of goals, and these remain our touchstones as we move ahead. We are striving to achieve:

- Cleaner energy with more emphasis on renewable sources and as much local generation as possible;
- Excellent reliability;
- Reasonable and predictable rates for customers; and
- Increased decision-making at the local level.

There have been many developments since ballot items 2B and 2C were passed in November. The city has started the legal and engineering work necessary to determine the costs associated with the possibility of acquiring Xcel Energy's electric system and starting a city-owned electric utility. We are anticipating these processes could take several years.

This is not, however, the only work that is being done. While the municipalization analysis remains at the forefront of our efforts, we believe that a robust conversation about Boulder's Energy Future requires a comprehensive look at both

supply and demand. The Climate Action Plan tax that has funded many of our energy efficiency initiatives expires next year. Together with the

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community, we are seeking to chart out what our future will look like in terms of reducing energy use and in turn, our carbon footprint. Over the past year, we have also heard a variety of intriguing ideas about ways Boulder could generate cleaner energy closer to home. In the upcoming months, the city plans to explore these more fully, developing an Energy Action Plan that outlines a specific set of strategies for meeting our goals. Some of these strategies would require us to operate our own electric utility. Others may not. This work will take the time and efforts of many people. This includes you. Our focus on long-term sustainability will require a community effort designed to achieve community goals. The city cannot accomplish these shared objectives alone. We welcome your input, your ideas and your assistance and we encourage you to remain engaged – or become engaged – in this important conversation.

Regards,
Jane S. Brautigam
City Manager

Key steps in municipalization analysis

Now to May

- Contract with legal counsel
- Develop negotiation and litigation strategies related to acquisition of Xcel's system and the Federal Energy Regulatory Commission (FERC)
- Create inventory of Xcel's system and begin valuation process in order to be able to enter into good faith negotiations
- Hire executive director
- Plan for additional utility renewable modeling

June to September

- Develop scope of work for legislative options research paper
- Finalize results of utility renewable modeling

October to December

- Ongoing technical research and analysis regarding inventory, appraisal of existing system, separation plans and service territory decisions
- Finalize legislative options research

2013 and Beyond

- Continuation of work on potential formation of municipal utility
- Anticipation of first formal off-ramp discussion

Creating a city electric utility: Can we do it?

We don't know yet, but thanks to the support of Boulder voters in November, we are going to find out. The idea of forming a city-operated utility stems from our community's goal to give residents, businesses and institutions access to increasingly cleaner energy that is reliable and competitively priced. Many onlookers have framed this as an environmental agenda, and that's true, but it is also an economic one. Supporters believe a well-run municipal utility that makes decisions based on our combined core values will fuel the local economy, solidify Boulder's reputation as a hub for innovation and increase our community's ability to withstand fluctuating energy prices.

Despite the potential advantages, there are many very legitimate questions. We recognize this, and Boulder City Council has said it will not make any decision about how to proceed until engineering analysis is completed and additional costs are known.

Legal expertise

The city has hired two legal teams (Duncan, Ostrander & Dingess PC and Duncan & Allen) to help staff attorneys determine how close the city's estimates are to the actual costs required to acquire Xcel's system within the city limits and start providing electric service ourselves. As you may recall,

the city's calculations so far have concluded that Boulder could create its own utility, gradually phase in renewable sources, and meet federally required reliability standards while offering rates that are the same or lower than those offered by Xcel Energy.

Some members of the community have inquired about the process for obtaining the information Boulder needs. Staff has started to chart this out and prepared a process graphic that shows the work planned for the rest of this year and start of 2013, which can be found on the Energy Future website. In addition, some of the key steps related to municipalization are described briefly on the left of this page.

Leadership plans

In addition to requiring specialized lawyers and engineers, this is an effort that needs strong vision and leadership. The city is currently recruiting an Executive Director of Energy Strategy and Electric Utility Development for a two-year fixed term position to provide direction in the creation of both short- and long-term energy strategies, guide the city in the implementation of new methods of energy management and weigh the community's goals against all possible options, including municipalization. The public will be invited to be a part of the selection process. More information about when and how to meet the finalists is on page four.

Energy Action Plan: Providing strategic guidance

Strategic energy planning is vital to Boulder's future. The energy choices we make today will have consequences for years. Higher energy prices, environmental impacts and uncertainty about supply are driving communities toward cleaner energy sources as well as local energy management and generation opportunities. But few communities have a clear plan for how to implement new technologies and strategies.

During last year's energy conversation, a host of interesting ideas emerged about how Boulder might accomplish its goals. These include the possibility of increasing solar arrays or additional hydropower, wind turbines, heat districts and more. Some of these ideas would require creating a local power utility. Others might not. Throughout 2012 and into 2013, the city will work with technical experts to explore key strategies

and develop an Energy Action Plan (EAP) that moves the entire community toward greater energy independence and cleaner energy sources.

This plan – and the commitment it represents to a greener footprint – will be at the heart of all we work to accomplish in terms of energy supply. If we municipalize, it will chart the way for a new business approach that encourages reduced use, localized source that drives the Boulder economy and wise investment of revenues to reach our community's goals. If we later decide that forming our own utility is not in our interest, this plan will point us toward the strategies that are possible within the current framework or through a renewed partnership with Xcel Energy.

The EAP is our plan for a prosperous future – and we look forward to your help creating it today.



Climate action in Boulder, yesterday, today and tomorrow

In 2007, the City of Boulder adopted and began implementing a Climate Action Plan (CAP) to reduce local greenhouse gas emissions and address the growing impact of human activity on global climate change. From the beginning, the community's CAP set out an aggressive array of programs and strategies to reduce local emissions. Much of this work – although certainly not all of it – has been funded through a revolutionary voter-approved carbon tax that is set to expire in early 2013.

Many successes

We have celebrated some important milestones that indicate our community has the will and the power to make a positive difference.

- The EnergySmart service assessed over 3,000 homes in Boulder since January 2011, giving owners concrete ways to achieve energy efficiency.
- The city instituted SmartRegs, requiring an energy efficiency standard for all rental properties by 2019. Of 1,112 units that have achieved compliance, 494 have gone above and beyond what is required.
- Boulder now has one of the highest per capita installations of rooftop solar in the country.
- 58 percent of the city's fleet consists of alternative fuel vehicles. City-owned buildings have reduced CO2 emissions by 18 percent since 2008. Another 6% reduction is expected by the end of this year.

Boulder's total emissions have remained relatively stable since CAP programs began in 2007. That may not sound like progress, given that our goal was to reduce greenhouse gas emissions to seven percent below 1990 levels by 2012. But it is important to note that our community has experienced growth, and national trends show that many Americans are using increasing amounts of energy. Only a small group of U.S. cities reduced or stabilized greenhouse gas emissions during this time, especially without purchasing renewable

energy credits, and Boulder is proud to be one of them.

Boulder's emissions could have been 4.5 percent higher in 2010 than they were if pre-2007 trends had continued. In other words, CAP efforts in Boulder helped avoid nearly 85,000 metric tons of CO2 emissions in 2010 alone. Much of the work completed in Boulder has impacts that carry over and allow us to increase



our progress exponentially each year. As a result, we are optimistic that programs gaining traction now will move us closer to achieving our goals with time.

Where do we go from here?

Before we can decide whether to ask voters if they wish to continue climate action funding, we, as a community, need to envision our future. What has been working? What can we do better? Any future framework must contain both long-term aspirational goals, such as setting a percentage of reductions in greenhouse gases by a certain date, as well as shorter-term achievable targets that give us real ways to measure both individual and collective progress.

Planning for 2013 & beyond

To that end, the city and its Environmental Advisory Board (EAB) will be working with members of the community to chart out a longer-term climate action vision. The first EAB meeting on the CAP will take place at 6 p.m. on Thursday, March 22, in City Council Chambers. The full agenda is available at www.BoulderEnergyFuture.com.

Climate Action services available now

Take advantage of city energy efficiency programs and services funded through the CAP tax. Visit www.BoulderColorado.gov/LEAD/ClimateAction to see what you can do to help save energy, time and money.

How can I make a difference?

Reduce Use

Retrofit existing buildings and replace appliances to improve efficiency and promote energy-conserving behaviors

- If you are a home owner, schedule an EnergySmart assessment and let advisors guide you through a simplified process to implement energy and cost-saving strategies
- If you are a landlord, check out rebates that will help you comply with SmartRegs
- If you are a business, participate in 10 for Change and reduce your energy use (and perhaps, your bottom line) by 10 percent



Build Better

Maximize opportunities for energy efficiency in new buildings. If you are a builder or developer,

- Learn about the Green Building and Green Points program for new construction
- Receive green building training



Discover more information about these programs, and other ways you can make a difference, at bouldercolorado.gov/LEAD/ClimateAction. Suggestions and tips from other strategy areas will be featured in upcoming editions of this newsletter.



Spotlight on the Public Utilities Commission

Boulder is currently involved in several matters, or “dockets,” before the Colorado Public Utilities Commission, which regulates investor-owned utilities, such as Xcel Energy.

One that has gained attention recently is a request by Xcel to limit Boulder customers’ participation in customer-funded incentive programs, including SolarRewards, Windsource and others rebates.

The city is vigorously opposing this. We believe this is a clear case of discrimination against Boulder customers related directly to the November election.

The city’s business model for municipal electric service includes provisions for continued, and likely enhanced, incentives, as Boulder understands these are key to helping people make positive changes. The city would be unable to fund such efforts, however, until a revenue-producing utility has been formed.

Stay informed, get involved and create change

The city is committed to providing updates to the community as they become available. You are invited to attend City Council meetings, speaker presentations and community forums where you can provide your ideas and input. Get up-to-date information by signing up for this monthly newsletter and other energy-related e-mails at www.BoulderEnergyFuture.com. You can fill out a comment card on the same website, or follow the City of Boulder’s Facebook page at www.facebook.com/bouldercolorado.gov and Twitter (@bouldercolorado) feeds. All City Council meetings and study sessions involving these topics, as well as some related community events, will be televised and streamed live at www.BoulderChannel8.com and will be available for viewing at your convenience on the Energy Future website, www.BoulderEnergyFuture.com.

Upcoming Events

Walk-In Wednesday Power Hours

Wednesday, March 21 and April 4

3 to 4 p.m.

West Boulder Senior Center – 909

Arapahoe Ave.

The public is invited to come talk to city staff about anything regarding the Energy Future project. The project team will be available to answer questions, listen to suggestions and collect feedback.



Environmental Advisory Board (EAB) Public Meetings on Climate Action Planning

Thursday, March 22

6 p.m.

City Council Chambers – 1777 Broadway

Feedback from the public will be heard during the public comment portion of each meeting.

Future EAB meetings and agendas will be listed on the Energy Future website.

Meet the final candidates for Executive Director of Energy Strategy and Electric Utility Development

Thursday, April 5

3 p.m. candidate presentations – reception to follow

City Council Chambers – 1777 Broadway

The public is invited to watch candidate presentations and ask questions. A reception with the candidates will follow the presentations.



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