

PROCLAMATION



City and County of Denver

Proclamation No. 20-1453

Proclamation of Support for Studying Community Choice Energy (CCE) as an Option for Local Governments in the State of Colorado

Whereas, 14 cities and counties in Colorado known as the "Ready for 100" communities have committed to obtaining one hundred percent renewable energy by 2025 to 2035, and 34 communities known as "Colorado Communities for Climate Action" (CC4CA) have organized to advocate for stronger climate policy; and

Whereas, these communities, which represent more than one million Coloradans, cannot reach their ambitious energy and climate goals within their desired timeframes unless they acquire greater choice and control over the energy sources comprising their wholesale electricity supply; and

Whereas, the governor's policy initiative, entitled "*Roadmap to 100% Renewable Energy by 2040 and Bold Climate Action*", explicitly supports local commitments to one hundred percent renewable energy; and

Whereas, the ability of a community to achieve ambitious energy goals is currently limited by the energy supply mix and the decarbonization timeline of the electric utility that serves that community, and having the option to procure electricity from alternative wholesale suppliers may enable communities to achieve their energy goals substantially faster and at lower cost; and

Whereas, there exists a local energy model called Community Choice Energy (CCE), also known as Community Choice Aggregation (CCA), which is a proven approach to expanding local control over energy sources and lowering electricity rates by introducing competition and choice into the wholesale electricity sector; and

Whereas, under CCE, communities may choose alternative wholesale electricity suppliers while the electricity continues to be delivered by the incumbent utility, which continues to own and operate its transmission and distribution system and manage customer service and billing, thereby allowing communities to choose a competitive power supplier without affecting non-procurement-related utility operations; and

Whereas, in the "wholesale, opt-out" model of CCE, individual customers retain the choice to opt out of their community's CCE offerings and receive electricity supplied by the utility under its traditional "bundled service"; and

Whereas, a thoughtful study of CCE would answer key questions and illuminate the potential benefits and challenges of enabling the CCE model in Colorado; and

Whereas, a well-designed CCE program would likely drive lower rates and cleaner energy for all Colorado communities, not just those that would adopt CCE, by introducing competition and community-level choice into the supply of wholesale electricity, while maintaining the viability and strength of Colorado's investor-owned electric utilities, and without imposing additional costs on the utility or its bundled-service customers; and

Whereas, while CCE has the potential to allow Colorado communities to make local energy decisions, meet their energy goals, reduce energy costs, foster local economic development, and keep more energy dollars circulating locally through more local employment and fewer energy dollars flowing to distant utility employees, executives and shareholders, it is nonetheless prudent to study the economic and technical feasibility and the regulatory implications and legal impacts of CCE before considering CCE-enabling legislation; and

Whereas, CCE is an innovative concept, which other states have already successfully implemented, thereby giving Colorado the opportunity to identify best practices and lessons learned from their experiences; and

Whereas, a "CCE Study Bill" entitled "*Public Utilities Commission Study of Community Choice Energy*" (HB20-1064) was introduced in the Colorado legislature that would authorize an informational proceeding at the Public Utilities Commission to receive input on key questions about CCE from a broad array of stakeholders and invited expert speakers to determine whether the apparent promise of CCE for Colorado's energy and economic future does indeed have merit;

NOW THEREFORE BE IT RESOLVED by Denver City Council that:

Denver concludes it is in the public interest to better understand the potential benefits and challenges of Community Choice Energy in the State of Colorado, and Denver does hereby indicate its support for a thoughtful study of CCE at the Public Utilities Commission, and Denver does urge its legislators, and all Colorado legislators, to support a CCE Study Bill so that we may obtain the information needed to determine whether the apparent promise of CCE for a community's and for Colorado's energy and economic future has merit and is worthy of being considered for implementation. Adoption of this Resolution in no way obligates Denver to participate in Community Choice Energy if and when a CCE study does show net benefits to Colorado and CCE is subsequently implemented by passage of enabling legislation in the future.

PASSED AND ADOPTED by the City Council of Denver, State of Colorado, this ____ day of ____, 2020 by the following vote: