



**Background Paper for Proposed  
Resolution**

**COUNCIL MEETING DATE: February 13, 2017**

TO: President Steven G. Nawrocki and Members of City Council  
CC: Sam Azad, City Manager  
VIA: Gina Dutcher, City Clerk  
FROM: Larry Atencio, City Council Member  
SUBJECT: A RESOLUTION ADOPTING A VISION OF 100% RENEWABLE ENERGY  
POWERING THE CITY OF PUEBLO'S ELECTRIC NEEDS BY 2035

**SUMMARY:**

Attached is a resolution declaring the City's intent to achieve electric power generated by 100% renewable energy by 2035.

**PREVIOUS COUNCIL ACTION:**

Ordinance 8224, budgeting and appropriating the Dept. of Energy's Energy Efficiency and Conservation Block Grant Program, June 14, 2010. Allocated grant funds for a City Hall Greening Public Buildings program, Main Street Energy Program, an energy efficiency coordinator, and a residential energy efficiency program.

The City's Sustainability Initiative (<http://www.pueblo.us/371/City-Sustainability-Initiative>), established in 2010 in collaboration with the Pueblo County Sustainability Plan, includes implementation of renewable energy projects but does not set specific targets for renewables.

**BACKGROUND**

The Sierra Club Sangre de Cristo Group, with collaboration and endorsement of the group Pueblo's Energy Future, has recommended the resolution. Passage would permit Pueblo to join 20 other cities nationally, who are leading the nation into a financially stable and sustainable energy future through a commitment to 100% renewable energy. As part of Pueblo's Energy Future's threefold platform of energy justice, business competitiveness and sustainable energy, the resolution declares the Council's intent to free the city's ratepayers from the future fluctuations of natural gas prices, one of the largest costs of electric generation.

Because the City's current franchisee already plans to increase renewable energy generation to 65% by 2035, and the Southeastern Colorado Water Conservancy District will begin work on a hydroelectric generation facility at Pueblo Dam in 2017, the resolution realistically sets the date of 2035 as the target for accomplishment of this goal.

The City's non-exclusive franchise agreement with Black Hills Energy does not permit the City to determine the sources of power generation used by the company. It does, however, expressly reserve the right of the City to generate its own power, purchase wholesale power, provide the company with information on the City's resource needs, aggregate utility service, and cooperate in the evaluation of options to reduce the City's costs for electric service, including renewable energy options (§ 13.1 Municipally Produced Utility Service). In § 14 of the Franchise Agreement (Environment and Conservation), "the City and the company agree that low cost, sustainable development, environmental excellence and innovation shall form the foundation of the utility services provided by the company under this franchise."

**FINANCIAL IMPLICATIONS:**

There are no immediate financial implications for the City. Black Hills Energy projects the cost savings of increasing renewable energy generation to 65% at \$47 million by 2040 (Black Hills Energy 2016 Electric Resource Plan).

**BOARD/COMMISSION RECOMMENDATION:**

Not Applicable.

**STAKEHOLDER PROCESS:**

With collaboration from City Council liaison Larry Atencio, Pueblo's Energy Future conducted two work sessions with the Council on February 8, 2016 and July 11, 2016, delineating Pueblo's problems with energy justice and energy cost impacts on business competitiveness. The Sierra Club Sangre de Cristo Group conducted a work session with the Council on November 14, 2016 outlining the economic advantages of a renewable energy future for the City. Citizen participation in the work sessions ranged from 35-50 attendees at each session. Pueblo's Energy Future has over 350 supporters and led the effort in bringing over 500 participants to a special public input meeting of the Colorado Public Utilities Commission on August 16, 2016. Press coverage of the movement has been prominent. A renewable energy future has been a central component of this movement's vision throughout its 2016 public input to the Council, and the coalition is requesting leadership from the City Council on this issue.

**ALTERNATIVES:**

No other alternatives for long-term stabilization of electric utility rates have been brought forward to City Council's attention to date, and the problem remains a significant challenge for the entire community.

**RECOMMENDATION:**

Approve the resolution.

RESOLUTION NO. 13612

A RESOLUTION ADOPTING A VISION OF 100% RENEWABLE ENERGY POWERING THE CITY OF PUEBLO'S ELECTRIC NEEDS BY 2035

WHEREAS, Pueblo's challenges with the cost of electricity for residential and commercial rate-payers is an important challenge to the city's economic and social wellbeing; and

WHEREAS, renewable energy resources have been shown by a wide range of studies to be the most cost-effective and stable future sources of power generation; and

WHEREAS, the City's current electric franchisee proposes to increase the percentage of Pueblo's power generated by renewables from 26% in 2017 to 60% (256 megawatts) in 2035 through installation of additional wind and solar power based on a projected savings of \$47.2 million; and

WHEREAS, the Southeastern Colorado Water Conservancy District has appropriated \$12 million in its 2017 budget for the first phase of a 7.5 megawatt hydroelectric generation project at Pueblo Dam; and

WHEREAS, rooftop solar, low-income community solar, and demand control technologies offer the opportunity to redistribute resources, address poverty, stimulate new economic activity in the City, and lift up those most impacted by high energy costs; and

WHEREAS, the City has expressly reserved its right to engage in the production of electric power, operate a municipal electric utility, or purchase wholesale power; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1:

The City of Pueblo resolves to derive 100% of the community's electric energy through renewable energy resources and associated technologies by 2035. This goal includes:

**Energy efficiency as a top priority:** By reducing demand through more energy efficient public infrastructure, residences, appliances and businesses, it becomes easier to develop, finance, and integrate the renewable resources into the generation portfolio;

**Maximizing opportunities for citizen participation and the development of new business models:** At the heart of a successful 100 % renewable energy strategy, it will be fundamental to allow open participation in the development and financing of energy infrastructure;

**Structured mechanisms to include low-income citizens in the benefits to be derived:** Access to the financial and environmental benefits of renewable energy must be shared equally across all economic classes through such mechanisms as equitable pricing structures, community solar programs with low-income carve-outs, non-profit organization leadership, and access to public energy conservation facilities;

**Educating and informing citizens and businesses:** Implementing a 100% renewable energy strategy will require the participation of a variety of stakeholders, which makes both the breadth and the depth of awareness crucial to long term success. Educating and informing the public as well as businesses about the renewable energy goal and its long-term benefits will facilitate public support and acceptance; and

**Adopting an integrated approach to fiscal, economic & energy policy:** A successful 100% renewable energy strategy will require an integrated approach across policy areas such as fiscal, energy, economic, and infrastructure policy.

SECTION 2:

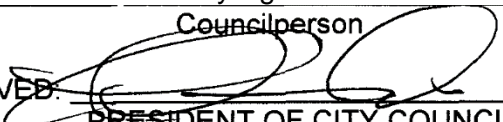
The officers and staff of the City are directed and authorized to perform any and all acts consistent with the intent of this Resolution to effectuate the policies and procedures described herein.

SECTION 3:

This Resolution shall become effective immediately upon passage and approval.

INTRODUCED February 13, 2017

BY: Ray Aguilera  
Councilperson

APPROVED:   
PRESIDENT OF CITY COUNCIL

ATTESTED BY:   
CITY CLERK