



# CITY COUNCIL PRESENTATION

# PURPOSE OF THE EUC



Community has expressed concern with their energy provider

- High rates
- Rate increases
- Rates as a barrier to economic development



City kick-started a conversation about electric utility services

# ELECTRIC UTILITY COMMISSION (EUC)



- Formed by the City
- Neutral convener of interested parties
- Established to lead the Powering Pueblo energy discussion
- Tasked with making a recommendation to the Mayor and City Council



# WHO IS ON THE EUC



Co-Chair: Mark Aliff

Co-Chair: Chris Nicoll

EUC Member: Nina Vetter

EUC Member: Thomas Corlett

EUC Member: Tommy Farrell

EUC Member: Seth Clayton

EUC Member: Terry Hart



# OUR PROCESS

## TIMELINE OF POWERING PUEBLO:



# PHASE I STUDY RESULTS

- The Phase I Study determined that a public power utility **IS** achievable
  - Over time, a public power utility will reduce rates and costs
  - A public utility would result in increased local control
  - Creating a public power utility and acquiring facilities is legal



# PHASE II STUDY RESULTS

- Creating a public power utility requires the acquisition of distribution assets from Black Hills
- Public power results in rate payer savings, more opportunity for renewable energy
- Wholesale power from a third-party provider is most cost-effective





# PHASE II SERVICE OPTIONS

OPTION 1: Customers within the City of Pueblo

OPTION 2: Customers within Pueblo County

OPTION 3: Customers within the entire Colorado service area





# OPTION 1: SERVICING THE CITY OF PUEBLO

- Cost-estimate of acquiring the distribution assets: **\$368M**
- Estimated ratepayer savings: **\$246M** over 20 years

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- Most expensive and time-consuming option
  - Some City customers might continue to receive service from Black Hills due to the boundary layout
  - Extreme complexity among substation locations



# OPTION 2: SERVICING PUEBLO COUNTY

- Cost-estimate of acquiring the distribution assets: **\$561M**
  - Estimated ratepayer savings: **\$455M** over 20 years
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- Eliminates high separation costs
  - No separation, stranded asset and reliability issues projected



# OPTION 3: SERVICING FULL BLACK HILLS AREA

- Cost-estimate of acquiring the distribution assets: **\$868M**
- Estimated ratepayer savings: **\$832M** over 20 years

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- Most cost-efficient path forward
  - Distribution assets to be acquired in Otero, Crowley, Fremont, Cluster and Teller counties

# PHASE II STUDY RESULTS

- A public power utility would result in lower operation, supply and capital costs
- Customers would see reduced rates as a result
- A public power would offer local control over power supply





# PUBLIC OUTREACH

- Three public outreach events hosted in November
- Public attendance overwhelmingly supported taking municipalization to ballot



# RECOMMENDATION

The EUC recommends that municipalization of the City and County be brought to ballot



# RECOMMENDATION

- This recommendation was unanimously approved by the EUC
- Including representation from the County and Pueblo West is advised

