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:

1. Start the conversation
2. Form the Energy Utility Commission
3. Determine What’s Feasible (Phase 1)
4. Determine Specifics (Phase 2)
5. (Phase 3)
6. Make a recommendation

LISTEN TO THE COMMUNITY
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

- 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
- 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

- 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