



July 27, 2010

Boulder City Council
City of Boulder
P.O. Box 791
Boulder, Colorado 80306

Re: Xcel Franchise Agreement

Dear Boulder City Council,

The Boulder Green Building Guild (BGBG) is a trade association representing over 550 companies and individuals in the region. Our association member body is composed of a diverse group of builders, architects, material suppliers, realtors, installers, and associated professionals. Many of our members have businesses located in the City of Boulder and almost all of our members have worked on buildings within the city. The common goal that binds our organization is the commitment to promoting healthier, resource-efficient homes and workplaces within our community. We appreciate the leadership that the City of Boulder has shown in moving the city toward our common goal. At the moment, you have before you one of the most significant pieces of this puzzle – defining the future of the City’s relationship with Xcel Energy.

Over the last several months, BGBG has held several discussions on this topic. We have discussed this issue with our membership, and we have heard from many sides of the issue.

BGBG encourages you to *not* put the Franchise Agreement on the ballot at this time. Instead, we believe that the most prudent policy is to insist that Xcel grant the two-year extension to the current agreement to allow time for the city to study all paths towards rapid decarbonization – and ultimately choose the path that is best for the city considering all factors – economic, social, and environmental. If the Council chooses to let the franchise agreement expire, voters would instead be asked to approve a "utility occupation tax" and a "utility excise tax." The measures would essentially tax Xcel up to \$5 million a year to do business in the city of Boulder.

We believe that a 20-year agreement with Xcel is simply too long and will be a barrier to the rapid decarbonization that our membership and community is working towards, particularly given that the off-ramps do not include specific costs for Xcel stranded generation assets. We also believe that the agreement currently proposed by Xcel is lacking concrete, aggressive requirements for efficiency and distributed renewable energy.

In addition to the franchise agreement, three other issues have been identified by our association membership as being of substantial concern:

1. Windsource has been proposed by Xcel on multiple occasions as the solution to our renewable energy goals. Windsource is not in our Building Guild members’ best interest or the interests of the city. Every dollar spent on Windsource is money that leaves our local economy. Conversely, dollars spent on installation of efficiency and renewables stay within community. Therefore, instead of a focus on Windsource, we would like to see efforts to increase energy efficiency in the grid first and foremost, as well as a comprehensive network of distributed renewable power



generators. In addition, while large “utility scale” projects that most Windsorce dollars go toward may in fact be an appropriate part of any utilities portfolio, it is no substitute for smaller distributed systems. Our contractor membership is largely composed of smaller local companies that cannot compete in these huge projects. The importance of driving local solutions and employing local small businesses is not to be underestimated in our efforts to move towards a truly sustainable city.

2. For many years the city has asked Xcel for useable aggregated energy consumption data for residences and businesses. This data is absolutely essential for Boulder to be able to truly meet our green house gas (GHG) emission reduction goals. Lack of this data is an impediment to the forward progress of our industry and delays the growth of our businesses. It is our understanding that nothing in state law or in the PUC regulations prohibits Xcel from providing this kind of aggregate data (e.g., energy use for homes in Table Mesa). To require PUC approval where none is required introduces significant delays and allows Xcel to manipulate the PUC process to insure that data continues to be withheld. We would like to see the City of Boulder demand that this data be supplied by Xcel, so that we can truly gauge and guide the GHG reduction program performance and effect of green practices within our community.
3. BGBG members have utilized Xcel energy efficiency and renewable energy rebates as a way to grow and expanded their businesses. These incentives have allowed for greater adoption of Boulder residents to take action on installations of efficiency improvements and on-site renewable installations. We feel that it is imperative that the city of Boulder insure that Xcel maintains and even expands these opportunities in order to keep our community guided in the right direction of reducing our overall GHG, growing our local green businesses, and increasing our overall community health.

Please keep us apprised of the continued negotiations with Xcel Energy and how the City Council is working to keep our local green businesses in mind within this process. We would also appreciate the invitation to publically speak on behalf of any of the issues that we have outlined within this document. Thank you for continuing to drive our community to become the model for a truly sustainable city.

Sincerely,

Boulder Green Building Guild
Board of Directors

cc: Jane Brautigam, City Manager
Boulder County Commissioners Office
Daily Camera
Boulder County Business Report
KUNC