

Colorado Air Quality Control Commission Resolution to Support Air Pollution Control Division Clean Energy Plan Guidance

Adopted January 22, 2021

1. Section 40-2-125.5(4)(c), C.R.S., states:

After consulting with the air quality control commission, the division of administration shall determine whether a clean energy plan as filed under this section will result in an eighty-percent reduction, relative to 2005 levels, in carbon dioxide emissions from the qualifying retail utility's Colorado electricity sales by 2030 and is otherwise consistent with any greenhouse gas emission reduction goals established by the state of Colorado. The division shall publish, and shall report to the public utilities commission, the division's calculation of carbon dioxide emission reductions attributable to any approved clean energy plan. ...

2. Section 25-7-105(1)(e)(VIII)(C), C.R.S., states:

In designing, implementing, and enforcing programs and requirements under this subsection (1)(e), the commission and the division shall take into consideration any clean energy plan at the public utilities commission that, as filed, will achieve at least an eighty percent reduction in greenhouse gas emissions caused by the utility's Colorado retail electricity sales by 2030 relative to 2005 levels, as verified by the division. When including public utilities in its programs or requirements under this subsection (1)(e), the commission shall not mandate that a public utility reduce greenhouse gas emissions caused by the utility's Colorado retail electricity sales by 2030 more than is required under such an approved clean energy plan or impose any direct, nonadministrative cost on the public utility directly associated with quantities of greenhouse gas emissions caused by the utility's Colorado retail electricity sales that remain after the reductions required by such a clean energy plan through 2030 if those reductions are achieved and the division has verified that the approved clean energy plan will achieve at least a seventy-five percent reduction in greenhouse gas emissions caused by the utility's Colorado retail electricity sales by 2030 relative to 2005 levels.

3. Additionally, section 25-7-105(1)(e)(VIII)(F), C.R.S., states:

A clean energy plan voluntarily filed by a cooperative electric association that has voted to exempt itself from regulation by the public utilities commission pursuant to article 9.5 of title 40 or by a municipal utility shall be deemed approved by the public utilities commission as filed if: The division, in consultation with the public utilities commission, publicly verifies that the plan demonstrates that, by 2030, the cooperative electric association or municipal utility will achieve at least an eighty percent reduction in greenhouse gas emissions caused by the entity's Colorado retail electricity sales relative to 2005 levels; and the clean energy plan has previously been approved by a vote of the entity's governing body. ...

- 4. The Air Quality Control Commission ("Commission") recognizes there are significant efforts anticipated before the Colorado Public Utilities Commission ("PUC"), and by cooperative and municipal utilities, that will provide greater certainty regarding greenhouse gas ("GHG") emission reductions from Colorado's electric utility sector through 2030.
- 5. The Commission has consulted with the Air Pollution Control Division ("Division") on the Clean Energy Plan Guidance document and associated emissions verification workbook (collectively the "Clean Energy Plan Guidance" or "Guidance") that the Division developed in collaboration with diverse stakeholders, and that is intended to fulfill the statutory directives in §§ 40-125-5(4)(VIII)(C), 25-7-105(1)(e)(VIII)(C), and -105(1)(e)(VIII)(F), C.R.S. The Commission has been apprised of the significant effort and collaboration that led to the drafting of the Clean Energy Plan Guidance.
- 6. The Commission acknowledges that the draft Clean Energy Plan Guidance was made publicly available through the Division's website on September 25, 2020 and that public comments were received through October 16, 2020.
- 7. The Commission is aware that public comments were received requesting the Commission provide its support of the Clean Energy Plan Guidance and the methods included therein, including those regarding the treatment of beneficial electrification emissions in the percent reduction calculations and the resolution of baseline emissions overlap between wholesale and retail utility sales.

- 8. The Commission understands that the Division may be required to make minor revisions to the verification workbook discovered through its use in the verification process. Such minor revisions may include, but may not be limited to, scrivener errors, formula errors, or updates to emissions factors based on future published information. The Division will publish any revisions to the verification workbook but need not return to the Commission to make changes or corrections of this nature. The Commission requests that the Division schedule further consultation in the event of changes to the fundamental methods included in the Guidance.
- 9. The Commission believes the PUC is the appropriate state agency to interpret 40-2-125.5(3)(a)(III) and encourages the PUC to provide such guidance. As the entity charged with assuring the state achieves the House Bill 1261 climate targets, the Commission believes it's important to avoid double counting of zero emission attributes. Consequently, the Commission believes that once a CEP is approved, the renewable energy used to comply with the utility's CEP must be accompanied by RECs and those RECs must be retired the year they are generated.
- 10. The Commission requests update briefings from the Division regarding Clean Energy Plans that have been filed with the Colorado Public Utilities Commission in order to understand the progress being made by the electric sector towards 2025 and 2030 GHG targets.
- 11. The Commission understands that utilities are still evaluating whether or not they intend to file a CEP. For generating utilities that are required to file a resource plan with the PUC, conversations are occurring with each of their all requirements wholesale customers regarding that customer utility's intent to file. This information will be included in the filing to the PUC in order to accurately establish the baseline emissions for CEP verification purposes. Therefore, the Commission requests that the Division develop a list of all Colorado electric utilities intending to file a Clean Energy Plan as expeditiously as possible, to provide the list to the Commission as part of the scheduled September 2021 GHG briefing, and update the list as necessary in the future.
- 12. The Commission, in fulfillment of the consultation requirement in § 40-125-5(4)(VIII)(C), C.R.S., and having been fully advised by the Division, supports the Clean Energy Plan Guidance for use by the Division when performing the verification of emissions reductions associated with Clean Energy Plan filings at the PUC.