

To: Colorado Air Quality Control Commissioners
From: Colorado Chamber of Commerce, Energy & Environment Council
Date: December 10, 2020
Re: November 20, 2020 Regional Haze Rulemaking

We are writing today on behalf of the Colorado Chamber of Commerce, Energy & Environment Council to express concerns regarding a recent action by the Air Quality Control Commission (AQCC) in the Regional Haze Phase 1 rulemaking process. The Colorado Chamber represents hundreds of businesses of all sizes across our state, over 35 local chambers of commerce, and over 40 associations & economic development organizations. Among the Chamber's membership are major operators in Colorado's energy sector that are directly impacted by the decisions of the AQCC and who have worked collaboratively with the AQCC for many years.

The AQCC preliminary final action on the Phase 1 Regional Haze rulemaking far exceeds the AQCC's authority, threatens to undermine the allocation of responsibilities between the Commission and the Public Utilities Commission (PUC), and will undermine future efforts of Air Pollution Control Division staff to work with parties, including industry, to develop collaborative Colorado solutions for Colorado problems. We ask that the AQCC revisit its November 20, 2020 preliminary final action, reopen the record, and adopt the revised proposal of the Air Pollution Control Division.

Over the past year and a half a group of electric utilities worked with the Air Division staff as the staff developed a plan to reduce emissions that affect Class 1 areas in Colorado. <u>Utilities voluntarily agreed to shut down power plants well ahead of schedule and voluntarily agreed to include those shut-down dates in the State Implementation Plan</u>. Those utility decisions were based on careful analysis of a number of factors, including the need to maintain reliable service at affordable costs. And each of those utilities is developing broad plans to transition to renewable energy resources.

Unfortunately, instead of accepting the plan developed between the utilities and the Air Division staff, the AQCC adopted an alternate proposal which accelerated plant closings by a year, and in some cases by many years. The AQCC even signaled the possibility of revisiting those closure dates again in the future, which creates additional uncertainty for utilities.

These actions by the AQCC raise many concerns for the Colorado Chamber on behalf of its members. First, the PUC has been the primary state agency that has evaluated electric utility resource plans that are painstakingly developed to ensure affordability and reliability while making the transition to a clean energy future. They have also been the entity to evaluate whether sufficient transmission will exist to enable a faster transition to clean energy resources. We are concerned that the

AQCC may not have this same expertise as the PUC which routinely considers these complex decisions.

Second, the PUC is a state agency that has the responsibility – and the specific statutory authority – to weigh those factors in approving electric utilities' future resource plans, including transmission constraints, affordability, and reliability. The PUC routinely deals in those complex decisions and is well versed with the technical expertise to consider the issues and alternatives to ensure the continued operation of the electric grid in the future. For municipally owned utilities, the law gives this authority to these local utility boards.

Third, the federal and state statutes that govern the AQCC's work do not give the AQCC the authority to mandate closure of power plants or other businesses. While the AQCC can require businesses like power plants to install emissions controls and similar measures, there is no statutory guidance authorizing the AQCC's decision. To utilize this federal program to mandate plant closures is unprecedented, opens the commission to legal challenge, and creates significant uncertainty in how the state and industry will move forward to advance visibility goals.

Fourth, by unilaterally advancing the dates for plant closures, the AQCC decision will shorten the time for affected communities, the state, and utilities to plan for how those communities can transition to a clean energy future. This is unfortunate and unnecessary.

Colorado has a long and well-earned reputation for working collaboratively to solve problems and reach outcomes that are fair and effective. For example, that is why Colorado was the first state to develop stringent controls on methane emissions from oil and gas sources. Unfortunately, the AQCC's action to reject the voluntary agreement developed by the Air Division staff and utilities creates a lack of confidence in future air quality agreements.

The Colorado Chamber of Commerce supports the State's commitment to clean air and clean energy resources. We would appreciate your engagement on this issue by We ask that the AQCC revisit its November 20, 2020 preliminary final action, re-open the Regional Haze Rulemaking record at the December 2020 meeting to clarify the authority of the AQCC, and adopt the revised proposal of the Air Pollution Control Division. This would help ensure that businesses across the State can continue to work collaboratively toward a clean energy future while continuing to protect important visibility metrics in Colorado's Class I areas.

Please contact Katie Wolf at <u>kwolf@cochamber.com</u> with any questions/concerns.

Cc: Governor Jared Polis John Putnam