



What Could New Ozone Regulations Cost Colorado?

\$16 Billion Gross State Product Loss from 2017 to 2040

10,525 Lost Jobs or Job Equivalents¹ per Year

\$815 Million in Total Compliance Costs

\$390 Drop in Average Household Consumption per Year

¹ Total job equivalents equal total labor income change divided by the average annual income per job.

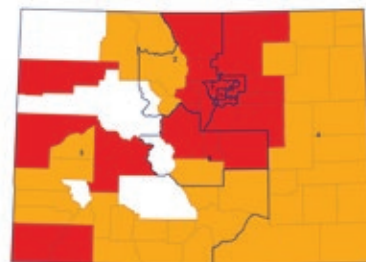
Expensive New Ozone Regulation Will Put the Squeeze on Colorado

The Environmental Protection Agency's (EPA) new ozone regulation could be the most expensive ever issued on the American public, costing the nation \$140 billion annually,² according to a new analysis by NERA Economic Consulting. This regulation will make it harder to get the necessary permits to manufacture goods and build critical infrastructure like roads and highways in Colorado, while increasing the cost of energy for every business and household in the state. The picture gets even worse for the counties in the red and orange in the maps in figure 1. In these areas, manufacturers won't be able to expand without a reduction of emissions or shutdown of operations from other plants in the area. Plans for new plants and expansion at existing plants will be shelved. Federal highway funds could freeze and economic growth could grind to a halt.

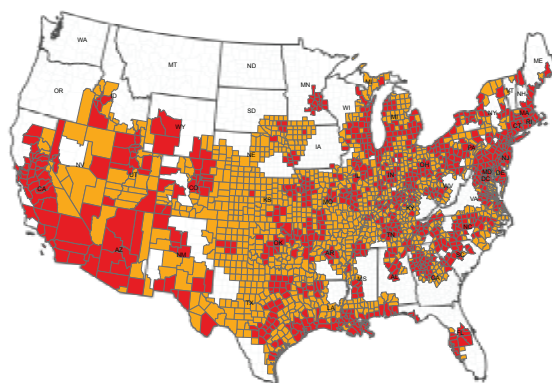
² This estimate only accounts for the costs and related economic impacts of bringing the country into attainment with a 65 ppb ozone standard. It does not account for any additional costs incurred by businesses complying with "maintenance" requirements for attainment areas. This estimate also does not account for any potential curtailment of energy production in nonattainment areas. In NERA's July 2014 report measuring a 60 ppb ozone standard, they found that a significant curtailment of natural gas production in nonattainment areas could further reduce GDP by \$90 billion per year and cost an additional 1.4 million job-equivalents per year.

Figure 1: Projected Nonattainment with a 65 Parts Per Billion (ppb) Ozone Standard

- Areas with monitors
- Unmonitored but likely to exceed 65 ppb



Projected Nonattainment in Colorado (65 ppb)



Projected Nonattainment in the United States (65 ppb)

Source: URS

Ozone Levels: Counties in Colorado

County	Ozone Levels (ppb)
Adams County	83
Arapahoe County	83
Broomfield County	83
Clear Creek County	83
Denver County	83
Douglas County	83
Elbert County	83
Gilpin County	83
Jefferson County	83
Park County	83
Larimer County	80
Summit County*	79
Grand County*	78
Boulder County	77
Kit Carson County*	77
Rio Blanco County	77
Jackson County*	76
Washington County*	76
Weld County	76
Yuma County*	76
Logan County*	75
Morgan County*	75
Phillips County*	75
Sedgwick County*	75
Baca County*	74
Bent County*	74
Cheyenne County*	74
Crowley County*	74
El Paso County	74
Huerfano County*	74
Kiowa County*	74

Table Key:

Highlighted Counties = Nonattainment at 65ppb

* = Based on Interpolation

Source: URS, July 3, 2014. Based on 3-year period, 2011-2013

Ozone Levels: Counties in Colorado

County	Ozone Levels (ppb)
Las Animas County*	74
Lincoln County*	74
Otero County*	74
Prowers County*	74
Pueblo County*	74
Teller County	74
Custer County*	73
Fremont County*	73
La Plata County	72
Archuleta County*	71
Conejos County*	71
San Juan County*	71
Costilla County*	69
Montezuma County	69
Dolores County*	68
Mineral County*	68
San Miguel County*	68
Hinsdale County*	67
Mesa County	67
Alamosa County*	66
Delta County*	66
Gunnison County	66
Montrose County*	66
Rio Grande County*	66
Routt County*	66
Chaffee County*	65
Garfield County	65
Lake County*	65
Ouray County*	65
Pitkin County	65
Saguache County*	65

Table Key:

Highlighted Counties = Nonattainment at 65ppb

* = Based on Interpolation

Source: URS, July 3, 2014. Based on 3-year period, 2011-2013

Ozone Levels: Counties in Colorado

County	Ozone Levels (ppb)
Eagle County*	64
Moffat County	63

Table Key:

Highlighted Counties = Nonattainment at 65ppb

* = Based on Interpolation

Source: URS, July 3, 2014. Based on 3-year period, 2011-2013