



COLORADO CHAMBER OF COMMERCE

TO: Will Toor, Executive Director, Colorado Energy Office
John Putnam, Director of Environmental Programs, Colorado Department of Public Health and Environment

FROM: Colorado Chamber of Commerce, Energy & Environment Council

DATE: November 12, 2020

RE: *Draft Colorado Greenhouse Gas Roadmap*

The Colorado Chamber of Commerce (Chamber) appreciates this opportunity to provide the Colorado Energy Office (CEO) and the Colorado Department of Public Health and Environment with these brief written comments on the Draft Colorado GHG Pollution Reduction Roadmap (GHG Roadmap).

The Colorado Chamber represents hundreds of businesses of all sizes across our state, over 35 local chambers of commerce, as well as numerous trade associations & economic development organizations. Among the Chamber's membership are major operators in Colorado's energy sector, operators in numerous heavy industries, major manufacturers, and many members whose businesses and operations include or depend upon at least some type of industrial or manufacturing component. The Chamber understands that many of its members will be providing their own more detailed comments on the Draft GHG Roadmap. The Chamber generally supports those separate comments of those vitally important industry sectors.

The Chamber supports the State's efforts to find the best and most affordable GHG emission reduction strategies and measures to further the goals of HB 19-1261. That said, we agree with other commenters who believe that significant further work and analysis will be required to provide for state emissions reductions that do not compromise electric grid reliability and affordability for consumers and businesses in Colorado, especially given the Draft GHG Roadmaps heavy reliance on electrification in one projected scenario.

The Chamber's members remain concerned that the costs of implementing any of the scenarios projected in the Draft GHG Roadmap have not been adequately considered, and the scenario projected to actually achieve HB19-1261's ambitious goals assumes the availability of technology that currently does not exist. These significant shortcomings do not detract from the utility of the Draft GHG Roadmap as an important think piece to advance our planning efforts at reducing GHG emissions in cost-effective ways through specific regulatory and legislative actions, but it is not a document on which we should rely in its current form to mandate significant expenditures in various sectors of our struggling economy in the near term.

The Chamber's experience has shown that economic and environmental progress is best achieved when emission reduction goals, no matter the specific emission, are realistic, achievable and market driven. This experience is borne of the tremendous environmental progress of the last 50 years in the United

States, and the foundational commitments in our developed body of administrative law to cost-benefit analysis so as to ensure that emission reduction goals and measures have costs that bear a reasonable relationship to their expected benefits, thereby delivering a net social welfare benefit to our citizens and businesses. The GHG Roadmap does not contain sufficient information so as to allow it to be measured against those important requirements of environmental and administrative law, but the document is an important first step.

The Chamber also remains concerned that the Draft GHG Roadmap does not address the issue of “leakage”, whereby any future reductions in the use of existing energy resources such as oil and gas, for example, would not be offset by consumer behaviors to obtain such fuels from the market outside Colorado, thereby resulting in fewer or no net emissions reduction benefits. Dealing expressly with the issue of leakage in a revised Draft GHG Roadmap would be a significant improvement, in the Chamber’s view.

Finally, the Chamber wishes to underscore the importance of the 2005 baseline GHG inventory from which emission reductions will be measured in order to evaluate progress in moving toward the GHG emission reduction targets established in HB 19-1261. The preparation of a complete and transparent baseline inventory that discloses methods, assumptions and the degree of uncertainty is a precondition to regulatory action to require or promote reductions, and helps ensure that all sectors of Colorado’s economy contribute equitably toward our future progress in reducing GHG emission within our borders.

The Chamber wishes to reiterate its strong commitment to protecting air quality and the health and welfare of Colorado’s citizens, while also promoting a healthy business climate. The Chamber has supported CEO’s past funding requests at the Legislature and has worked closely with the Colorado Air Pollution Control Division in stakeholder processes that inform specific rulemaking. The Chamber has also commented frequently on air quality and other environmental regulatory matters of concern to its members and their involved employees and will continue to do so constructively.

The Chamber, through its Energy & Environment Policy Council, appreciates this opportunity to submit written comments on the Draft GHG Roadmap.

Please feel free to contact John Jacus, Chair of the Energy & Environment Council, at john.jacus@dgsllaw.com or Katie Wolf, Director of Governmental Affairs, at kwolf@cochamber.com with any questions/concerns regarding these comments.