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### Settlement clears way for Xcel plant

PUC to weigh in on proposed facility in Pueblo

By Gargi Chakrabarty, Rocky Mountain News  
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Xcel Energy will spend hundreds of millions of dollars to reduce pollution and conserve energy as part of a settlement to build a \$1.35 billion coal-fired power plant.

Filed late Friday, the settlement - signed by two dozen parties, including several environmental groups, and subject to regulatory approval - paves the way for Xcel to build the proposed plant next to its existing one in Pueblo.

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Though the new plant would double the capacity in Pueblo to 1,410 megawatts, Xcel has committed to reducing pollution below existing levels. One megawatt serves roughly 400 to 900 households.

Xcel also has agreed to spend \$196 million to save electricity and reduce peak power demand over the next decade.

It also has promised to study whether 15 percent of Colorado's total electricity needs can be derived from wind.

"We believe that our settlement will allow us to go forward with the coal-fired plant and get it online between 18 months and two years quicker than would be possible if there were filings in opposition," said Fred Stoffel, Xcel's vice president of policy development. "The delay would have significantly eroded the economic benefit we see from the new plant."

Xcel said the proposed plant will save Colorado electric customers between \$500 million and \$1.4 billion over the life of the plant, typically 30 years.

The plant is part of Xcel's overall plan to add 3,600 megawatts by 2013 to serve the Front Range's growing

demand for power.

Opposition groups that participated in the settlement discussions, for the most part, welcomed Xcel's commitments.

"SWEEP and other environmental groups are not happy to see a new coal-fired power plant being built because of its high carbon dioxide emissions," said Howard Geller, executive director of the Boulder-based Southwest Energy Efficiency Project. "But considering the significant concessions by Xcel Energy regarding emissions reduction, energy efficiency, renewable energy and resource planning, I believe it is a good agreement," he said.

Colorado's Public Utilities Commission will hold a public hearing on the settlement Wednesday at its 1580 Logan St. office in Denver.

PUC spokesman Terry Bote said the regulators' "intention is to have an initial decision by the end of the year."

Xcel has committed to providing training and technical assistance to improve the energy efficiency of new homes and commercial buildings. It also could offer customer rebates to encourage the use of energy efficient air conditioners, refrigerators, dishwashers, bulbs and washing machines.

Xcel's promise to look into boosting wind energy also was hailed. It already is on track to produce 10 percent of its electricity sales from renewable sources, mainly wind, by 2015.

"This settlement demonstrates Xcel's willingness to include (wind) technology in greater amounts into its system," said Craig Cox, executive director of the Colorado Coalition for New Energy Technologies that lobbies for the wind energy industry.

Currently, Xcel supplies 222 megawatts of wind energy to Colorado customers.

Mark Detsky, energy attorney for Environment Colorado, said his major concern with the proposed plant is carbon dioxide emission.

"The only way to reduce carbon dioxide emission is to burn less coal," Detsky said.

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