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## **Wind can power city, groups say**

By BILL McKEOWN – COLORADO SPRINGS GAZETTE

Colorado Springs Utilities is getting ready to spit into the wind.

That's the fear of a coalition of customers and environmental groups that thinks the public utility is rushing to build a \$275 million, coal-burning power plant near Fountain without looking at alternatives, especially wind power and conservation.

Opponents fear the decision, like spit in the wind, will blow back on ratepayers, resulting in higher rates to pay for the plant and dirtier air once it's running.

They envision a different future: one in which non-polluting wind is harnessed to produce a good part of the city's electricity; a future in which aggressive conservation whittles away at the need to build traditional power plants that pollute and are affected by fluctuating fuel prices. The vision, at least in part, is embraced by utilities in the Midwest, Northwest, California and Colorado's largest utility, Xcel Energy. Tapping into the recent experiences of those utilities, the coalition released a report urging Colorado Springs Utilities to solicit bids to build or become partners in a wind farm able to deliver at least 75 megawatts of electricity.

That amount is about 5 percent of the electricity consumed each year in the city and about half of what the proposed coal plant would produce. The wind farm, coalition members believe, could be built for \$65 million to \$75 million, a fraction of the cost of the coal plant. Aside from regular maintenance of the wind turbines and possibly linking the wind farm to transmission lines, the fuel itself - wind - would be free.

"What's the best way of getting a responsible portfolio of energy resources?" asked Justin Dawe of Environment Colorado, the group heading the effort to have the utility look at wind power. "You put out a bid among wind providers and see what comes back. That didn't happen."

The coalition also is urging the utility to impose a 0.15-cent surcharge on every kilowatt of electricity it sells. That, they estimate, would raise about \$7 million a year to pay for aggressive conservation programs.

Those programs could cut demand for electricity by 6 percent in 2010 and 12 percent by 2020. That and the savings from wind power would save ratepayers nearly \$350 million between 2004 and 2020 and could delay for years the need to add more traditional electrical capacity, they said.

The coalition, which includes such advocacy groups as Environment Colorado, Western Resource Advocates and the Southwest Energy Efficiency Project, will share its vision at two meetings - Wednesday and Oct. 22 - with the Colorado Springs City Council, acting in its role as the Utilities Board.

## UTILITY HAS DIFFERENT IDEAS

At the Wednesday meeting, Colorado Springs Utilities will present its proposed 2004 budget, which lays out a markedly different vision of the future.

Utility officials say the need for electricity doubles every 10 to 15 years, and they must plan to meet that demand. They believe using cheap, reliable coal - made cleaner with new technology - is the way to go.

They will ask the Utilities Board's permission to spend almost \$15 million to explore a high-tech, cleaner-burning coal plant. A final decision on that plant is likely to be made next spring.

If built, officials say, the plant will be one of the cleanest coal plants in the world, light-years ahead in efficiency and air pollution control than the two existing city coal plants built years ago.

The utility has spent \$2 million on the project, started an environmental impact statement and been given a no-interest, \$30 million loan from the Bush administration to promote cleaner coal technology.

The utility proposes 7 percent to 8 percent hikes in the average residential utility bill through 2008 to pay for a variety of capital improvement projects, including the plant.

By that time, utility customers may have another one to pay for.

At end of 2004, Colorado Springs Utilities will have spent \$400,000 planning yet another coal plant, proposed to be built on the eastern plains, with partners, to supply electricity in 2016.

Wayne Vanderschuere, resource supply manager for Colorado Springs Utilities, recently said the utility is intrigued by wind power, the cost of which has dropped dramatically because of new advances.

Still, Vanderschuere doesn't have faith that wind power can be as cheap and reliable as coal. He thinks the variability of wind - some days it blows, some days it doesn't - either would require multiple wind farms or a wind farm able to generate three times what the proposed coal plant would produce just to assure the city gets the electricity it needs when it needs it. Vanderschuere also suspects there are less savings to be had through conservation than the coalition has estimated.

He said the utility is spending \$3.5 million this year and plans to spend \$6.5 million next year on programs meant to reduce demand and on rebates for energy-efficient appliances.

Even that amount will reduce electrical demand by only 3three percent over 10 years, the utility estimates. That's far less than the coalition's estimates of 6 percent in seven years and 12 percent in 17.

Besides, Vanderschuere said he's not sure customers would accept a permanent surcharge on their bills that could increase rates 2 percent.

"If I could responsibly recommend that we could meet all our future needs with wind and conservation, I would," Vanderschuere said. "But I can't."

#### REACTION NO SURPRISE

Wind proponents aren't surprised by the utility's reaction.

They say utilities are full of engineers and finance people who have spent their careers mastering the drawbacks, benefits and costs of coal and natural gas. They're naturally reluctant to embrace renewable energy such as wind that carries its own benefits, drawbacks and costs.

Ron Lehr is familiar with the phenomena. A former chairman of the Colorado Public Utilities Commission, which regulates private utilities, he oversaw a rate case in the 1990s in which Denver's Xcel Energy proposed to build a gas-fired power plant.

Lehr said the case dragged on for more than two years until the PUC decided Xcel ignored a wind-power bid that was more cost-effective than nine bids for a gas-fired plan.

The PUC ordered the utility to supplement its energy with wind. Xcel now is building a large wind farm near Lamar.

Lehr, a lawyer who now works for the American Wind Energy Association, said he understands the attractiveness of a new coal plant. The price of coal is cheap - about a quarter of natural gas - it's plentiful, and it's a proven technology.

"In all fairness, coal is reliable and is fairly low-priced," he said. "But it has some risks and some costs. It pollutes the environment. It causes respiratory health problems. And future carbon dioxide regulations could make it a much more expensive form of energy."

"I think the coal system is going to serve me very well, but my concern is my two children and their future."

Lehr, like coalition members, believes Colorado Springs Utilities has not put enough energy and time into studying wind and conservation.

If it had, he said, it might be doing something like Iowa-based MidAmerican Energy Co., controlled by billionaire Warren Buffett. The company, similar in size to Colorado Springs Utilities, announced plans to build the world's largest wind farm, capable of producing enough power for 85,000 homes. "What does Colorado Springs know that Warren Buffett doesn't?" Lehr asked.

"It's just new. They (Colorado Springs Utilities officials) haven't done it, and they don't want to do the work. Have they asked their customers what they want? I believe they have, secretly, and their customers are interested in renewable energy."

#### WIND USE INCREASING

George Douglas, spokesman for the National Renewable Energy Laboratory near Boulder, said that kind of popular feeling is driving a 20 percent to 25 percent yearly growth in new wind farms.

He said utilities in Washington, Oregon, Texas and Florida are embracing the technology because the cost now is competitive with other forms of energy. "There are absolutely zero (pollution) emissions," Douglas said. "It is a free and never-ending fuel source. There is the knowledge that what it costs up front is all it costs, and those costs are very predictable. And in Colorado, there are lots of good wind sites close to transmission lines. Wind's time has come."

That's the message people such as Dawe of Environment Colorado will deliver to the Utilities Board in the coming weeks. He said he hopes the board will slow the rush to build the new plant by stalling the \$15 million feasibility study and ordering the utility to seek bids on a wind farm and innovative conservation programs.

"These alternatives haven't been explored, yet they're asking the City Council to write a big check," Dawe said.

"Is it fair to expect you'll get a complete analysis that is fair and fully explored when you've already put \$16 million on one option? It would be like going out and putting a down payment on a car and then going shopping." The meeting is sure to be a battle of visions.

The utility's Vanderschuere doesn't want to pour water on the brave new world envisioned by the coalition. But he's a numbers man, and he said he'll have to tell the Utilities Board the numbers he's seen on wind and conservation won't assure the power ratepayers will need in the next decade at the low price they demand.

"We have identified wind as an opportunity," he said.

"It has a place in the future for us. But can I responsibly recommend that wind will bring us reliable service at the lowest cost? I'm not there yet."