



Thursday, September 9, 2004

Xcel power plan raises concerns

28 groups to testify on coal-fired facility proposed in Pueblo

By Gargi Chakrabarty, Rocky Mountain News

Xcel Energy's proposal to build a \$1.4 billion coal-fired power plant in Pueblo is drawing opposition and concerns from across the board. At least 28 groups, including environmental activists, the cities of Denver and Boulder, and big customers, are preparing to submit their viewpoints to state regulators by Monday's deadline for public comments.

The testimony also will address Xcel's plan to add 500 megawatts of wind energy and to seek bids for another 2,800 megawatts from private producers. Xcel says the additional power will serve the growing demand along the Front Range. One megawatt serves the average power needs of roughly 400 to 900 households.

"This case has more interveners than I can remember for any single docket in the past 12 years that I have been here," said Terry Bote, spokesman for the Colorado Public Utilities Commission. "The issues are of interest to a large number of groups."

Two public hearings will be held, one in Pueblo on Sept. 23 and the other in Denver on Sept. 27. The PUC will hear testimony starting Nov. 1 and likely will make a final decision by the end of the year.

If the plant is approved, electric rates of residential customers will increase 8 cents per month next year and will jump 89 cents per month in five years. The rate for commercial customers will increase 15 cents per month next year and \$1.89 per month in five years.

Howard Geller of the Southwest Energy Efficiency Project argues that Xcel has not paid attention to energy conservation. In his testimony, Geller said he will point out that in Minnesota, Xcel reduced 110 megawatts of peak demand in 2003 by spending \$42 million in energy conservation programs.

In Colorado, Xcel agreed to spend \$75 million in conservation programs from 2001 through 2005 to reduce 124 megawatts of peak demand. After the programs expire next year, Xcel plans to accept bids from private companies instead of renewing the existing programs.

"If Xcel spends \$40 million in (conservation) programs in Colorado, they should be able to reduce peak demand by 100 megawatts each year," Geller said.

Xcel spokesman Mark Stutz defended the utility's decision, noting that conservation programs and renewables such as wind produce intermittent power, unlike a coal-fired plant that can run 24 hours, 365 days.

"It is really about what the PUC thinks is appropriate for Colorado, not what Mr. Geller thinks," Stutz said. "Rather than fret about why (conservation) programs can't compete with other bids, I'd encourage Mr. Geller to find creative ways to make sure the programs are successful in the bidding process."