

Paul Light
Vice-President, Western Colorado Congress
Testimony for PUC hearing
RE: HB 1365 and Xcel Energy's Emission Reduction Plan
Monday, August 30, 2010

Mr. Chairman and members of the Colorado Public Utilities Commission, on behalf of the Western Colorado Congress, thank you for traveling to Grand Junction and holding a public hearing to discuss Xcel's Emission Reduction Plan. During the legislative session WCC tracked HB1365 with great interest, and we appreciate the opportunity at present to participate in the next step of the process.

My name is Paul Light, I'm Vice President of Western Colorado Congress, and I live in Battlement Mesa. I've been a Garfield County resident for over six years, and my town is currently facing a proposal to drill 200 wells within its borders.

Western Colorado Congress is an organization of over 2,000 members across the Western Slope. We are dedicated to empowering people to protect and enhance their quality of life in western Colorado. Our organizational comments are meant to represent the views of our membership and its pursuit of environmental and social justice. Our statements today do not represent any other organization, including our partners in the conservation community.

First, we must commend the State of Colorado and Xcel Energy for their interest in addressing serious public health issues stemming from antiquated power generation stations in the Denver Metro-area. The Denver-area is plagued with fouled air and action today is paramount to the vitality of millions. Xcel's proposed Emission Reduction Plan currently under review includes ingredients for clean air, and WCC is heartened to see these items included within the proposed plan. Ongoing problems associated with degraded air quality can be mitigated through elevated use of wind and solar energy, increased efficiency measures, and inclusion of emission reduction techniques. And, the Cameo generation station is a local example of how solar energy can be harnessed to compliment other forms of power generation.

Western Colorado Congress neither supports nor opposes the Emission Reduction Plan, as presented by Xcel Energy. We recognize the importance of clean Colorado air, reducing the risks posed by dirty energy sources, utilizing local natural resources, increasing energy efficiency, and creating jobs. However, the proposal includes the use of natural gas without language specific to how it will be developed. The potential incentivization of natural gas within power generation may result in increased gas development and create a situation where rural air-sheds become degraded at the expense of cleaning Denver's air.

Community Alliance of the Yampa Valley • *Routt County*

Concerned Citizens Alliance • *Mesa County* Uncompahgre Valley Association • *Montrose County*

Grand Valley Citizens Alliance • *Garfield County* WeCAN • *Mesa County young adults*

Ridgway-Ouray Community Council • *Ouray County* Western Slope Environmental Resource Council • *Delta County* Grand Junction, CO 81502

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WCC is concerned that increased demand for natural gas could translate into elevated production without the necessary safeguards meant to protect public health and Colorado's unique landscapes. Even though Colorado amended its rules for oil and gas activities, four aspects of the rules were never completed. Those four unaddressed rules are setbacks from homes, setbacks from streams, wildlife best management practices, and interim reclamation standards. When HB 1365 was introduced, WCC expressed concern regarding the potential implementation of any plan that encourages natural gas production before the State completes its legislative mandate to update its rules. Yet, the bill passed and natural gas is now being touted as the bridge-fuel to a sustainable tomorrow. On the contrary, natural gas cannot be seen as the solution to Colorado's current problems: all stages of development pollute the air, it's available in limited supply, and responsible industry practices have yet to become commonplace.

We do, however, recognize the PUC is not the primary agency with jurisdiction over natural gas development. Yet, according to HB1365's language, the Commission has the ability "to require new natural gas pipelines and other supporting infrastructure." The PUC has the ability to consider "The degree to which the plan will result in reductions in other air pollutant emissions;" and "(C)onsider...the environmental benefits of a coordinated emissions reduction strategy."

The Commission may have the ability to provide conditions of approval within long-term gas contracts to reduce fugitive emissions during production and transportation of natural gas, and potentially, complete an in-depth analysis of natural gas development's true impacts to air quality.

Natural gas' emissions contribute negatively to ambient air quality in producing regions of the state, and public health in these regions can be harmed. Emissions associated with natural gas development include green house gases, volatile organic compounds, ozone precursors, and particulate matters.

According to the EPA:

"Natural gas consists of a high percentage of methane (generally above 85 percent) and varying amounts of ethane, propane, butane, and inerts (typically nitrogen, carbon dioxide, and helium)...."

"The emissions from natural gas-fired boilers and furnaces include nitrogen oxides (NOx), carbon monoxide (CO), and carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), volatile organic compounds (VOCs), trace amounts of sulfur dioxide (SO₂), and particulate matter (PM)."

According to the USA Energy Information Administration:

"The major sources of U.S. methane emissions are energy production, distribution, and use; agriculture; and waste management."

"The energy sector—including coal mining, natural gas systems, petroleum systems, and stationary and mobile combustion—is the largest source of U.S. methane emissions, accounting for 295.7 *Million Metric Tons* of CO₂e in 2008."

“Natural gas systems and coal mines are the major sources of methane emissions in the energy sector.”

“U.S. methane emissions from natural gas systems grew from 1990 to 2008, largely because of increases in natural gas consumption.”

According to the Oil & Gas Accountability Project:

“Drilling operations produce air emissions from diesel engines and turbines that power the drilling equipment. The air pollutants from these devices may include: nitrogen oxides, particulates, volatile organic compounds, and carbon monoxide. Additionally, hydrogen sulfide may be released.”

“Ozone is formed when volatile organic compounds (VOC’s) and nitrogen oxides (NO_x) react in the presence of sunlight and heat.”

According to a March 2010 Cornell University Report:

“There is an urgent need for a comprehensive assessment of the full range of emission of greenhouse gases from using natural gas....”

“Far better would be to rapidly move towards an economy based on renewable fuels. Recent studies indicate the U.S. and the world could rely 100% on such green energy sources within 20 years if we dedicate ourselves to that course.”

In conclusion, clean air is vital to all persons but natural gas development degrades air quality. For the proposed emission reduction plan to create truly cleaner air, the state must: elevate energy efficiency measures beyond their current status; continue to foster use of renewable energy; and ensure that natural gas is developed in a manner that does not degrade air supplies.

As the Commission considers a Plan that hinges upon conversion of power plants to natural gas, it is important to consider the incomplete nature of Colorado’s rules for oil & gas operations, the lack of independent analysis specific to air emissions derived from all stages of natural gas development, and the PUC’s ability to include conditions of approval within long-term gas contracts that reduce fugitive emissions in producing regions of the state.

WCC welcomes the opportunity to work with the State, Industry, Utility Providers and other partners, to highlight local impacts and data gaps as a means of fostering responsible gas development and healthy Colorado Communities.

Thank You for your time and consideration.

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Respectfully submitted August 30, 2010

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For More Information:

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- 2.) Sumi, L.; Oil and Gas at Your Door? *A Landowner's Guide to Oil and Gas Development*; Oil & Gas Accountability Project; 2004.
- 3.) US Energy Information Administration; 2010.
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