**Resolution of Interest in Community Choice Energy (CCE)**

**as an Option for Local Governments in the State of Colorado**

**Whereas**, Community Choice Energy (CCE) is a non-profit local energy model, currently authorized in ten states, that allows communities or groups of communities that are served by a monopoly investor-owned utility (IOU) to choose alternative wholesale electricity suppliers on behalf of their residents and businesses, while the IOU continues to own and operate its distribution system to deliver the electricity; and

**Whereas**, CCE has proven effective at driving lower electricity rates, meeting and exceeding state and local energy and environmental goals, increasing local control and decision-making on energy matters, and promoting more innovative and locally-relevant energy programs; and

**Whereas**, the "wholesale, opt-out" model of CCE allows individual customers to opt out of their community's CCE offerings and receive electricity supplied by the IOU under its traditional "bundled service" if they wish; and

**Whereas**, House Bill 21-1269, which was passed by the Colorado legislature and was supported by many communities, required the Public Utilities Commission (PUC) to investigate CCE and to "consider the regulatory implications and legal impacts of possible future CCE-enabling legislation and provide recommendations to the general assembly", and that "conclusions should include best practices and lessons learned from states that have enabled CCE at the wholesale level"; and

**Whereas**, the PUC conducted a public process and received expert comments on a series of questions concerning how CCE might work best if authorized in Colorado; and

**Whereas**, the PUC report on CCE identified "opportunities and benefits" as well as "risks and drawbacks" of implementing CCE in Colorado, and found no reasons to believe that CCE could not be effectively implemented in Colorado; and

**Whereas**, many municipal electric utilities and electric co-operatives in Colorado are leaving their IOU to procure their electricity from alternative suppliers because they are receiving better deals in the competitive wholesale market, and they are free to do so while other communities in IOU territory have no such option; and

**Whereas**, having options is inherently advantageous for any community, and our community deserves the right to evaluate alternative electricity options; and

**Whereas**, CCE authorities in other states have proven that CCE can provide cleaner electricity at competitive or lower rates than the corresponding IOU; and

**Whereas**, CCE authorities in other states have proven to be laboratories of innovation that learn from each other and implement a wide variety of local energy programs that are tailored to the needs of the community; and

**Whereas**, IOUs tend to choose energy solutions that are driven by the "perverse incentive" of the cost-of-service utility business model to maximize capital expenditures that earn returns for shareholders, while non-profit CCE authorities are more focused on customer service, cost control, and community priorities; and

**Whereas**, allowing state-sanctioned monopolies on wholesale electricity supply is no longer warranted because the production of wholesale power has been a thriving competitive enterprise for decades; and

**Whereas**, the ability of a community to achieve ambitious energy goals is currently limited by the energy supply mix and decarbonization timeline of the IOU that serves that community, and having the option to procure electricity from other suppliers may allow the community to achieve its energy goals faster and at a lower cost; and

**Whereas**, legislation is likely to be introduced in the upcoming legislative session that authorizes CCE as an option for Colorado communities that are served by a monopoly IOU; and

**Whereas**, CCE may have the potential to allow a community to make local energy decisions, meet its energy goals, reduce energy costs, and foster local economic development, there is no way to determine the specific electricity rates that a CCE authority could offer unless CCE is first authorized by the State and then the PUC conducts a rulemaking to determine the rules that will govern CCE subject to principles that are specified in the enabling legislation; and

**Whereas**, authorizing CCE in Colorado would in no way obligate any community to adopt CCE unless it so chooses after conducting due diligence.

**NOW THEREFORE BE IT RESOLVED** by the City Council of [Name of Municipality] that:

1. [Name of Municipality] concludes that it is in the public interest to allow communities to evaluate and adopt Community Choice Energy as an alternative wholesale electricity supply option, and [Name of Municipality] does hereby indicate its support for authorizing a Community Choice Energy option in Colorado; and

2. [Name of Municipality] does hereby urge its legislators, and all Colorado legislators, to support CCE-enabling legislation so that communities may obtain the information needed to determine whether the apparent promise of Community Choice Energy has merit; and

3. Adoption of this Resolution in no way obligates [Name of Municipality] to participate in Community Choice Energy, unless it so chooses by adoption of an ordinance if CCE is authorized by the State.

PASSED AND ADOPTED by the City Council of [Name of Municipality], State of Colorado, this \_\_\_ day of \_\_\_, 2023 by the following vote: