

War on natural gas is unfair to people like me who work hard for efficiency

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After I bought this little, old house, I replaced the leaky single-paned windows, added insulated siding, swapped the energy-wasting air conditioning window units for an energy-efficient evaporative cooler, added ceiling fans and cellular shades, installed more attic insulation, and changed out the 70-year-old boiler for a new state of the art unit. When friends complain about the 65-degree winter room temperature, I hand them a sweater. I'm that kind of energy conscious crazy.

So why is the state government trying to make me pay even more to heat my little house? The Colorado Public Utilities Commission (PUC), the agency that regulates the state's power plants, just ruled that gas utilities must reduce greenhouse gas emissions 41% from 2015 levels by 2035. That's a significant increase from the reductions set by the 2021 law, Senate Bill 264, to reduce emissions by "only" 22% by 2030.

The 2030 mandate was bad enough. Two of the state's largest power companies, Xcel Energy and Black Hills Energy, indicated they would need at least \$1.4 billion to comply with the 2030 mandate, costs that will be passed on to ratepayers. By doubling its demands by 2035, the PUC will ensure billions of dollars in compliance costs and guarantee that home heating bills will skyrocket over the next couple of years.

This is not fair to the two-thirds of Coloradans who heat their homes with natural gas. It's especially unfair to low- and moderate-income households. That's because swapping out gas for electric is not an affordable option for most families. Most people do not have \$20,000 plus to install an electric heat pump. When a wealthy household installs a heat pump, the remaining gas customers subsidize the rebates through their heating bills. Since the pool of gas users is reduced, the remaining households have to pay a larger share of the fixed costs to maintain the gas infrastructure. Lucky us.

Here's the irony. The main source of energy for the electricity that runs those electric heat pumps is natural gas. Natural gas generates nearly 40% of the state's electricity, and its use in electricity production will grow as Colorado phases out coal. Unless the state invests in nuclear power, natural gas (or a less clean fossil fuel) must be available to supply baseload power. Solar and wind, though important contributors, are intermittent sources. Without reliable, dispatchable natural gas or nuclear power, the state cannot produce enough electricity to meet demand.

Altogether, a third of the natural gas consumed in Colorado goes to electricity production (33%), more than a third goes to industrial and commercial use (36%) and 31% is used to heat homes. Natural gas is also major state export. Colorado is the eighth largest natural gas producing state in the union.

One wonders, why is natural gas acceptable as an affordable lower-carbon emitting power source for electricity generation, industrial/commercial use, and export but unacceptable as an affordable heating source?

Less than five years ago, I purchased a new more energy-efficient natural gas boiler to heat the radiators in my little house. The new boiler was not eligible for a rebate. Thanks to the PUC, I get to pay higher heating bills to help gas companies comply with expensive and arbitrary mandates. Meanwhile, wealthier households will be eligible for rebates to install heat pumps powered by electricity produced in part by natural gas.

Either the PUC needs to rethink its inequitable decision or the legislature needs to get act come January to apply a little heat that direction.

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