

**Better Pueblo • Colorado Renewable Energy Society • Bishop of Pueblo •
Environment Colorado • Environmental Defense • Sierra Club • Smart Growth Advocates**

Southwest Energy Efficiency Project • Western Resource Advocates

NEWS

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Colorado Conservation Groups Win Clean Air Agreement

Xcel agrees to clean-up measures to settle power plant dispute

[DENVER] Today, a coalition of conservation groups and Pueblo civic organizations secured a major commitment from Xcel Energy to significantly reduce pollution levels from the proposed expanded Comanche Power Plant and to rely more heavily on cost-effective cleaner energy alternatives in meeting Colorado's future electrical generation needs. The agreement, filed today with the Colorado Public Utilities Commission, stems from concerns the coalition has raised regarding a new coal-fired unit Xcel has proposed to build in Pueblo, Colorado, to be added to the two existing coal units at the Comanche Power Plant.

Ross Vincent of Better Pueblo, a local coalition of labor, environmental, religious and civic leaders, calls the agreement a major victory for Pueblo. "It means cleaner air, it creates jobs, and it gets Xcel into a conversation about our future," says Vincent. "It doesn't solve all of the problems the new plant will create for us, but it is a big step in the right direction."

Under the agreement, Xcel will clean up two existing units at its Comanche plant in Pueblo and install state-of-the-art pollution controls on the proposed new coal-fired unit. Xcel will also ramp up its investments in energy efficiency and renewable energy sources and will begin accounting for some of the financial and health risks associated with emissions of carbon dioxide, the major pollutant behind global warming. The agreement is now pending approval by Colorado regulators.

"The agreement will dramatically expand Colorado's investments in conservation and renewable energy," says John Nielsen of Western Resource Advocates. "And it changes how Colorado's largest utility accounts for global warming."

Vickie Patton of Environmental Defense commented, "If approved by state regulators, these hard-won commitments will cut the harmful air pollution from Xcel's proposed new coal plant in Pueblo, clean up air pollution from the existing coal-fired power plants in Pueblo and, for the first time in Colorado history, take account of greenhouse gas pollution in determining our future energy plans."

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However, looking beyond Pueblo, the coalition calls for utilities and decision makers in the West to prioritize energy efficiency and renewable energy resources over new coal. "A dramatic increase in these clean energy resources is essential to reduce the air pollution and environmental harm that results from coal-fired power generation," noted Matt Baker of Environment Colorado.

Susan LeFever, Colorado Sierra Club director, notes that, "We must not sugar-coat the fact that the construction of this plant will mean a significant increase in Colorado's emissions of global warming pollution. The Sierra Club will continue to fight the rush to build new coal plants in the West. By approving a new fleet of coal plants across the nation, state public utility commissions are making it much more difficult and expensive to stop global warming, and the accompanying threats to lives, health and property worldwide," says LeFever.

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FACT SHEET

The settlement agreement filed today for approval by the Colorado Public Utilities Commission calls for:

- ✓ Clean-up of two existing coal-fired power plants at the Comanche station in Pueblo, Colorado as well as state-of-the-art pollution controls at the proposed new coal-fired unit;
- ✓ These emission controls are projected to cut overall pollution levels at the Comanche station by 11,000 tons of sulfur dioxide annually and 2,300 tons of nitrogen oxides annually, and will include mercury controls on all three units;
- ✓ Commitments by Xcel to reduce peak energy demand by 320 MW and electricity consumption by 800 GWh per year through cost-effective energy efficiency programs by 2013;
- ✓ Provisions for the development of up to 890 MW of cost-effective renewable energy resources by Xcel by 2013, 500 MW more than required under the recently adopted Amendment 37, a statewide ballot initiative on renewables, during the same time period;
- ✓ Mitigation for some of the increased greenhouse gas emissions the new plant will generate;
- ✓ Xcel Energy to financially account for the emissions of carbon dioxide, a heat-trapping greenhouse gas, in all new energy generation resources acquired for Colorado;
- ✓ Xcel Energy to convene a community dialogue on sustainable development in Pueblo, Colorado, home of the Comanche power plant;
- ✓ Continuing consultation with the parties to the agreement on a wide range of energy and environmental issues at the Comanche Station and elsewhere on Xcel's Colorado system.

The citizens' groups, for their part, agree not to further challenge the proposed new plant before the Colorado Public Utilities Commission or in the proceeding for a pre-construction air permit before the Colorado Department of Public Health and the Environment.

The Colorado Public Utilities Commission and the state health department must still accept key elements of the agreement and incorporate them into permits and orders they issue in the next few months. If they fail to do so, the agreement could fall apart.

In addition to Xcel, parties to the agreement include Western Resource Advocates, a regional environmental law and policy center; Environmental Defense and the Sierra Club, both national environmental organizations with offices and members in Colorado; Environment Colorado; the Southwest Energy Efficiency Project; and the Colorado Renewable Energy Society. Local signatories from the Pueblo area include the Catholic Diocese of Pueblo; Better Pueblo, and Smart Growth Advocates.

The PUC is expected to announce its decisions on Xcel's plan later this month and the state health department will likely issue an air pollution permit next year. Construction of the plant is planned for 2005, with operation scheduled to begin in 2009.

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