



February 11, 2019

The Honorable Dominique Jackson, Chair  
Energy & Environment Committee  
200 E. Colfax Avenue  
Denver, CO 80203

Dear Representative Jackson and Members of the Committee:

Associated Governments of Northwest Colorado (AGNC) counts as its members local governments from eight (8) counties in Northwest Colorado. Our members are opposed to HB19-1037 and urge you to engage the coal reliant communities throughout Colorado do discuss the implications of this bill as it incentivizes private industry to accelerate the closure of coal fired power plants in the communities of Northwest Colorado.

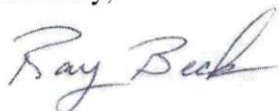
Our members appreciate the idea behind the bill's attempt to provide job training and to backfill lost tax revenue for impacted communities, but we believe the potential for job training and the fiscal impact of backfilling lost tax revenues have not been fully considered. The provisions of HB1037 will fall far short of what will be necessary to assist these employees and communities. For instance, a recent bonding measure has been passed for one of the school districts in Northwestern Colorado. The bonds must be paid off over a period of 30 years and 58% of the revenue to service those bonds will come from the power plant near that community – we do not see how the provisions of HB1037 will protect that community from defaulting on those bonds should the plant retirement be accelerated. Additionally, another of the counties in Northwest Colorado has noted that 61% of county revenues are produced through property taxes and business personal property taxes related to the coal mines and the power plant in that county. The bill provides for only five (5) years of declining support to the communities impacted directly. These are not revenues easily replaced and the impacts will be felt broadly by special districts, municipalities and school districts within the county. It is also important to note that closure of these plants and ultimately the mines that supply them have far reaching impacts throughout our region. Declines in coal production have already resulted in business closures in communities outside the directly impacted counties.

All the counties in Northwest Colorado are working diligently to identify diverse economic opportunities in an effort to reduce reliance on coal extraction but those efforts take time. These areas do not have jobs outside coal related industries in the region that power plant and coal mine employees can be retrained for that will provide even marginally similar pay scales; this means those employees and their families will leave their communities further diminishing the economic vitality of the region.

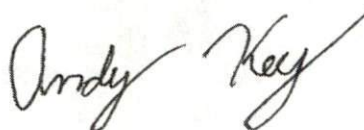
One school of thought is that power plant owners might convert the plants using an alternate source of power generation to take advantage of the infrastructure investment already made in the region but given the fact that vast amounts of these counties are managed by federal agencies that scenario is not a viable option. Further, NREL maps indicate that this region is not optimal for development of wind or solar generation facilities. There are natural gas resources in the region but, even if power plant owners could make the business case for conversion of the plants to natural gas, leasing, permitting and drilling wells in the vast sage grouse habitat of Northwest Colorado would likely take decades to accomplish and it is very unlikely that pipelines to deliver that natural gas to the plants would ever be permitted due to the vast amount of sage grouse habitat in the region.

In short, while it is not a mandate, HB1037 encourages industry to abandon Northwest Colorado communities and leave hundreds, potentially thousands, without jobs or opportunities to earn a living and without the ability to enjoy the communities they have supported for well over 100 years. If government is determined to close private industry in this way, our members ask that a measured approach be taken toward that end. Work with the communities in Northwest Colorado to identify opportunities for economic diversification and aid those communities in bringing those ideas, businesses and jobs to fruition. Leaders in the region have ideas that could be transformational but resources not available to the region as well as time to implement them will be needed to accomplish this diversification. AGNC members urge you to take the time to work with these communities to address the jobs and economic issues created by accelerating the closure of long-standing facilities before passing legislation that will create hardship and heartbreak for workers, their families and communities.

Sincerely,



Ray Beck  
AGNC Chairman  
Moffat County Commissioner



Andy Key  
AGNC Vice-Chairman  
Rangely Town Councilman