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Testimony regarding House Bill 19-1261
Senate State Veterans and Military Affairs Committee

My name is Ben Lutze and I am the Vice President and General Manager of EVRAZ Rocky Mountain Steel in Pueblo. I am submitting this testimony on behalf of my company with the intention of expressing our deep concerns with House Bill 19-1261.

First and foremost, I would like to mention that reducing carbon emissions to address climate change is, our company believes, an important policy priority. But equally important is having that far-reaching policy crafted carefully and collaboratively to protect both Colorado's economy and our environment. This is a complex issue and one that takes time to address and should include input and conversations with all stakeholders.

We at EVRAZ feel that HB 19-1261 was crafted in isolation. The broad and ambiguous carbon-reduction plan in the bill offers no substantive roadmap for how it will achieve its lofty goals, thereby creating unnecessary obscurity that poses a significant threat to jobs and investments in our state's economy.

We note that the legislation sets vast goals for reducing carbon emissions by 90 percent by 2050. But any notion of how the state would achieve that ambition remains unknown. What activities would be prohibited or curtailed? What new behaviors would be mandated on Colorado citizens and businesses? These critically important issues and many others are ceded to an unelected state regulatory commission.

Vagueness creates a legal and policy vacuum. The largest impediment to economic investment and job creation is uncertainty, and we want to make it clear that the uncertainty brought on by HB 1261 will create serious unintended economic challenges going forward, especially at EVRAZ.

Like all manufacturers, EVRAZ must make ongoing investments in our equipment, infrastructure and our workforce to remain competitive, domestically and globally. We have been grateful for the collaboration with you, other state leaders, county and municipal officials, and the Pueblo business community as we work to finalize investment plans to expand and modernize our facilities in Pueblo. We believe creating a state-of-the-art steel mill is essential for our ability to keep pace with international competitors, including those who have shown little interest in seriously addressing carbon emissions.

Environmental sustainability is a key part of our Pueblo modernization project. We are working with Xcel Energy to create the first steel mill in the world powered by renewable energy.



EVRAZ takes great pride in the fact that the Pueblo mill – if built - will set a new global industry energy and environmental standard. We remain hopeful that we will be able to build this new \$480 million facility in Pueblo.

But as we consider the numerous unknowns in HB 1261, it is extremely difficult to assess whether EVRAZ can and should make a half-billion-dollar capital investment in Colorado. We cannot determine how this one piece of legislation will affect our capital investments and operating costs next year or in the decades to come.

Without question, addressing climate change is a complicated and time-consuming process that requires much listening and learning from all sides, and we feel that not all sides were considered when crafting the legislation put forth in HB 19-1261.

This issue should not be addressed with haste, it is too important. We strongly urge that HB19 - 1261 be replaced with a detailed, inclusive process that brings together labor, industry, business and community leaders to shape a true, transparent and accountable climate action plan for our state.

Thank you.