

**Testimony by Frederick D. Palmer, Senior Fellow for Energy and Climate
Before the Colorado House Transportation & Energy Committee
Wednesday, May 2, 2018**

Good afternoon Chairwoman Winters and members of the committee. My name is Frederick D. Palmer, and I am a senior fellow for energy and climate at The Heartland Institute. The Heartland Institute is a 34-year-old independent, national, nonprofit organization whose mission is to discover, develop, and promote free-market solutions to social and economic problems. Heartland is headquartered in Illinois and focuses on providing national, state, and local elected officials with reliable and timely research and analyses on important policy issues. Heartland would like to submit the following testimony in support of withdrawing Colorado from the U.S. Climate Alliance.

The Paris Climate Accord, commits the signatory countries to limiting the rise of global temperatures to “well below” 2.0 ° Celsius (C) above pre-industrial levels while pursuing efforts to keep the temperature increase to just 1.5 ° C above pre-industrial levels. The first U.S. plan pledges a reduction in emissions by 26-to-28 percent relative to 2005 levels by the year 2025.

However, by proponents’ own admission, the first emissions-reduction plans submitted by signatory countries don’t even come close to reducing the volume of greenhouse gas emissions necessary to limit warming to 2.0 ° C. What’s more, many signatory countries, including heavily-industrialized ones like France and Germany, have announced they are going to miss the accord’s near-term reduction targets.¹ Why should Colorado shackle itself to a treaty where the environmental impacts are infinitesimal and the signatories themselves have such a lax attitude about holding up their commitments?

Further, there is no need for Gov. Hickenlooper to mandate the reduction of greenhouse gas (GHG) emissions, as he did in his executive order, when these emissions are already falling around the country, thanks almost entirely to market forces and the increased use of natural gas in electricity generation because of the hydraulic fracturing revolution. A [2018 analysis](#) by researchers at Carnegie Mellon University found the United States has already met President Obama’s now-defunct Clean Power Plan’s 2025 carbon emission reduction targets in 2017 and is also close to meeting the plan’s 2030 reduction targets.² Even the Environmental Protection Agency’s own draft [2018 Greenhouse Gas Inventory](#) (GHGI) revealed total gross greenhouse-gas (GHG) emissions in the United States decreased by 2 percent between 2015 and 2016. In 2007, GHG emissions were 15.6 percent above 1990 levels, which is the GHGI baseline. Now, GHG emissions are just 2.6 percent above 1990 levels, and 11.6 percent below 2005 levels.³

¹ Kenneth Artz, “Nations failing to keep Paris climate commitments,” *Environment & Climate News*, April 9, 2018, <https://www.heartland.org/news-opinion/news/nations-failing-to-keep-paris-climate-commitments>.

² Jeffrey J. Anderson, David Rode, Haibo Zhai, Paul Fishbeck, “Will We Always Have Paris? CO2 Reduction without the Clean Power Plan,” *Environmental Science & Technology*, Volume 52, Issue 5, February 2018, <https://pubs.acs.org/doi/pdf/10.1021/acs.est.8b00407>.

³ *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2016*, United States Environmental Protection

The governor's mandate necessarily means Colorado will need to get more of its electricity from expensive, heavily-subsidized renewable sources, which will raise electricity costs and impose real burdens on consumers. Colorado already has a renewable portfolio standard that requires 30 percent of the state's electricity generation to come from renewable sources by 2020. A thorough 2016 study found Colorado's mandate would cause average electricity costs to rise by 11 percent, net employment levels to decrease by over 13,000, and total costs to approach \$729 million in 2020.⁴

Voters are also aware that these mandates and treaties are costly and quixotic. A poll released last October conducted by the Associated Press and the NORC Center for Public Affairs Research for the Energy Policy Institute at the University of Chicago revealed 68 percent of respondents said they were unwilling to pay an extra \$20 month on their electric bills to combat climate change, although this amount is "roughly equivalent to what the federal government estimates the damages from climate change would be on each household." Further, almost half the respondents, 42 percent, said they would be unwilling to pay even one extra dollar.⁵

Essentially, Gov. Hickenlooper's executive order will unnecessarily increase the amount of renewable-sourced electricity in the state, making everything more expensive for working families in Colorado, leaving them less to spend and save, all without any guaranteed environmental benefits. It will also ensure the closure of two units of the Comanche Generating Station in Pueblo, which will not only result in the direct loss of jobs at the power plant, it will increase the cost of electricity in a part of the state that is already struggling. With Comanche shuttered, other coal plants in the state will surely be at risk. Coal-fired electricity is the cheapest and most reliable form of energy Colorado produces. It's elimination from Colorado's energy portfolio will most assuredly cause the skyrocketing of energy costs for everyday Coloradans.

Instead of keeping Colorado tied to this albatross of an agreement that promotes even more taxes, regulations, and subsidies aimed at reducing carbon dioxide emissions, the General Assembly should force Gov. Hickenlooper's hand and support sound environmental stewardship that is pro-energy, pro-environment, and pro-jobs. Doing so would produce enormous economic dividends that would genuinely improve the lives of every Coloradans.

For more information about The Heartland Institute's work, please visit our websites at www.heartland.org or <http://news.heartland.org>. You may also call John Nothdurft, Heartland's director of government relations, at 312/377-4000 or reach him by e-mail at jnothdurft@heartland.org.

Agency, February 6, 2018, https://www.epa.gov/sites/production/files/2018-01/documents/2018_complete_report.pdf.

⁴ Timothy J. Considine, *Evaluating the Costs and Benefits of Renewable Energy Portfolio Standards*, Interstate Policy Alliance, June 2016, https://www.heartland.org/template-assets/documents/publications/costsbenefitsrenewableenergryportfolio_study_6.pdf.

⁵ "Public Opinion on Energy Policy under the Trump Administration," Energy Policy Institute at the University of Chicago and the Associated Press-NORC Center for Public Affairs Research, October 2017, http://www.apnorc.org/PDFs/EnergyClimate2017/EPIC%20Topline_FINAL.pdf.