Bring Power Home 2020

Why Vote FOR Proposition 2A
Terminating the City of Pueblo’s Franchise with Black Hills Energy and Authorizing Pueblo Water to Establish a Public Power Electric Utility

In 2016 hundreds of BHE customers in Pueblo showed up to tell the Public Utilities Commissioners of the hardship and broken trust caused by BHE’s heavy-handed policies and high costs. Now, BHE would have those same customers doubt their own experiences and also doubt the rigorous and fact-based recommendations of their leadership who were entrusted with weighing the facts and creating a plan for a better energy future. Now is the time for Puebloans to empower themselves—to trust their own lived experiences, to trust in the practical and doable vision for public power proposed by Pueblo’s knowledgeable leadership, and, most importantly, to trust each other to reach out and claim a brighter energy future for everyone. A vote FOR 2A is a vote for individual and community empowerment!

1. There is absolutely no doubt that Public Power will stabilize electric rates and lower them in the longer term. Why?
   - Public Power can buy wholesale power on the open market that is cheaper than the overpriced power Black Hills buys from a subsidiary of its Black Hills parent. Cheaper wholesale power is plentiful.
   - Public Power is a not-for-profit model. Public Power borrows at lower interest rates; pays NO corporate income tax; NO high-dollar executive salaries/bonuses; NO 7% dividend to shareholders; and NO high-priced PUC lawyers ($4.8 Million in 2018), because Public Power is locally controlled and not rate regulated by the Public Utilities Commission.
   - The Public Power feasibility study conservatively estimated savings of 10-14%, with a more likely estimate of 18% savings provided by the study’s consultants in response to questions by City Council.

2. Public Power gives us local control. How?
   - Public Power will be run by a local elected board. If you don’t like them, it’s easy: vote them out!
   - Public Power will have a local public input process for making decisions. Not so with Black Hills.

3. Public Power will grow Pueblo’s economy. How?
   - Non-profit Public Power will cut the high cost for electricity in Pueblo, reducing the burden on struggling local businesses and creating an incentive for new businesses to choose Pueblo.
   - Public Power typically contributes more to local communities than investor-owned utilities.
   - Public Power will continue to pay the equivalent of the current Black Hills franchise fee as a “Payment in Lieu of Taxes.” Customers savings will circulate back through the local economy = more local jobs.

4. Public Power creates fairness and better customer relations. How?
   - Disconnection, reconnection, and other important policies will be set locally by board members who understand Pueblo’s underserved low-income customers and the need to strike a balance.
   - Public Power’s customer service team will be your neighbors in Pueblo, not a voice in a distant state.
   - Public Power will encourage more rooftop solar and solar gardens than Black Hills ever has.

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1 Pueblo Board of Water Works Frequently Asked Questions, attached to the BOWW Resolution supporting 2A, March 17, 2020
2 EES Municipalization Phase II Feasibility Study, bids received for financial analyses, p. 50.
4 American Public Power Association “Stats and Facts”
5. Pueblo Water is committed to attaining the community’s clean energy goals. How?

- Pueblo Water, as the public power entity, has endorsed the goal of 100% clean energy by 2035.
- Pueblo Water recognizes that cheaper power purchased on the wholesale market will permit quicker and much more flexible shifts to renewable energy.

6. Public power is more reliable. Why?

- Public power utilities on average limit their outage time to 75 minutes per year, while investor-owned utilities average almost twice that at 142 minutes per year. Local power enhances reliability.
- The transition from Black Hills to Pueblo Water and Electric will be seamless. The PUC will issue a Certificate of Public Convenience and Necessity once the new utility has demonstrated its ability to provide electricity safely and reliably in accordance with industry best practices.

7. The Pueblo Board of Water Works is a trusted agency with demonstrated competence to run a utility. Why?

- Pueblo Water is NOT “the City.” It is an independent, non-profit, local governmental entity run by an elected Board. Its mission: provide reliable and quality service at an efficient cost, not make a profit.
- Pueblo Water is an “enterprise” under the Taxpayers’ Bill of Rights (TABOR); it can’t levy taxes. By law, only revenue dollars, not tax dollars, can support the new utility.
- Pueblo Water has a long history of managing complex utility projects. Its range of planning is decades.
- Pueblo Water has a reputation for the cheapest water rates along the Front Range, with plentiful, high-quality water. It has the long-standing utility experience to supervise the delivery of electricity.
- Pueblo Water will contract with an experienced third party contractor to secure the expertise needed to manage day-to-day utility operations, and has committed that, “[T]he third-party contractor will seek to hire the existing Black Hills employees to provide these services,” including their union contracts.