

Comments for Public Hearing on Comanche 3 Rate Increase
10/23/2006

In 2004, Xcel submitted the plan that showed that building Comanche 3 was the cheapest way for Colorado to get the electricity we need - a lot has changed in those 2 and a half years.

Coal prices are double what Xcel projected.

Steel and concrete prices, what Comanche 3 will be made of, have doubled.

Xcel considered \$12/ton for carbon dioxide as the "most severe emission cost assumptions" they could conceive of in 2004. This year Carbon dioxide has been trading at up to 3 times that in Europe.

Xcel has put some good energy efficiency programs in place since 2004. But, earlier this year Xcel released a study showing that we could save as much electricity from a much more aggressive approach to energy efficiency as Comanche 3 will generate at a net savings to us customers of half a billion dollars.

In 2004, Xcel said that implementing Amendment 37 - Colorado's renewable energy standard - would cost us billions. In 2006, Xcel finds that wind is so economic that they will meet A 37 standards 8 years early.

Finally, Xcel released a study this summer showing the impact of solar on electricity load. As a baseload plant, Comanche 3 is not the right technology to support an ever increasing amount of solar and wind generated electricity.

To summarize, Comanche 3 is going to cost us much more than projected in 2004, and there are now alternatives to building Comanche 3 (renewables and efficiency) that are much cheaper for us customers.

In a company like Walmart or Intel, costs matter and Comanche 3 would have been killed outright at least a year ago. But Xcel doesn't care because if coal prices double, Xcel doesn't pay, we do. If steel and concrete prices double or triple, we will pay. If a carbon-constrained future requires that Comanche 3 be closed after operating only a few years, we will still pay!

I want to thank the Commissioners for their years of service as our watchdog and ini helping protect us.

I request the commissioners take the following extraordinary actions: First, suspend Xcel's request for several hundred million in rate increases to pay for Comanche 3.

Second, while protecting Xcel's rights of cost recovery, freeze construction at Comanche 3. Open a hearing considering the new information available since 2004.

Consider the unforeseen costs to building Comanche 3 including the ever more likely and costly impacts of taxes or caps on carbon dioxide, as well as the unforeseen, cheaper, and more environmental alternatives to building Comanche 3.

My mother taught me that if you find you are digging yourself into a deeper and deeper hole, the first thing to do is stop digging.

There is still time to look at alternatives to building Comanche 3.

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