

February 25, 2009

Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202

Re: Docket No. 09I-041E – In the Matter of Amendments to the Electric Resource Planning Rules

Dear Commissioners:

Greetings from Aspen Skiing Company. We are one of the largest ski resorts in the country, with four ski mountains located in and around Aspen and Snowmass Village, Colorado. Each winter we host 1.3 million skiers on 5,000 acres of terrain. In addition to two hotels and a golf course, we own and operate 15 restaurants and employ 3,400 people in the winter, making us the largest employer in the region.

In the past five years, study after study has revealed that climate change is happening in Colorado and will have severe economic impacts on the winter sports businesses here. The first of these reports, Aspen Global Change Institute's 2006 *Climate Change and Aspen: An Assessment of Potential Impacts and Responses*, showed that we've already experienced three degrees Fahrenheit of warming in the past 30 years, and the best science investigators could find suggests an additional warming of three to four degrees F. The report estimated the negative economic consequences of this change as between \$16 and \$56 million. Other studies with similar findings on lost snow and damaged economies have come from Park City, Utah, Colorado College, and the Rocky Mountain Climate Organization, which in 2008 reported that the American West is warming much more rapidly than the rest of the country. A 2008 University of Maryland Study, *The Economic Impacts of Climate Change in Colorado*, is only the latest in an avalanche of dire predictions for this state. The study notes that as the ski industry diminishes, so too will the state's \$42 billion insurance, real estate and leasing sectors.

Currently, the winter sports industry is a \$2 billion business in Colorado. Damage to the stable climate that drives this part of our economy—and resultant threats to fishing, whitewater rafting, hunting, and other climate-dependent pursuits—would be catastrophic to the state. And the economic consequences of just a 1% annual drop in skier visits would cost \$375 million and 4,500 jobs by 2017, according to the University of Maryland study. It's these kinds of stats that explain why we were asked to testify to Congress in 2007 on the economic impact of climate change on public lands.

All this leads us to believe that the decisions now being made by utilities are very much a matter of public interest. In fact, they directly affect the future prosperity of the state. A decision to develop coal-based energy resources over other options, or to make that decision without factoring direct economic, quality of life, and jobs impacts, would be

irresponsible and damaging to Colorado. Beyond the impacts of climate change on the winter sports industry, we have serious concerns that broad investment in coal-based power presents risks to electricity consumers. As an energy-intensive industry, we depend on reasonably priced power. We don't believe investment in carbon-intensive energy makes sense in the face of inevitable fees associated with carbon dioxide emissions. It may be cheap today, but it won't be in the future.

This thinking was reemphasized by a report published by Innovest Strategic Value Advisors in November of 2008, *Tri-State Coal Expansion Poses Risks to Electricity Consumers*. The report argues that Tri-State's commitment to and dependence on coal, threatens their ability to provide customers with economically priced power. The study notes that the proposed Holcomb Station coal expansion "could result in annual CO₂ costs to electricity consumers of between \$95 million and \$217 million. Given that Tri-State currently relies on coal for more than 98% of its" [owned] "electricity generation, its decision to pursue this new coal-fired generating capacity does not adequately account for these potential costs, or the regulatory and financial trends that continue to shift the competitive balance toward cleaner forms of power generation, renewable energy, and energy efficiency."

Implementation of the Commission's resource planning regulations for Public Service Company of Colorado (PSCo) has provided encouragement to PSCo to increase its reliance on renewable resources and demand-side management. In this regard, these regulations assure that Colorado energy policy is integrated into utility resource plans. It seems clear that application of resource planning regulation in a way that takes account of the differences between investor-owned and cooperative generation and transmission utilities would have the same effect on Tri-State.

For all of the above reasons, in response to the PUC's January 28, 2009 Notice of Inquiry and Order Establishing Investigatory Docket, Docket # 09I-041E, we strongly believe that the PUC should be given resource planning oversight over cooperative generation and transmission associations in Colorado.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Kaplan', with a stylized flourish at the end.

Michael Kaplan
President/CEO