

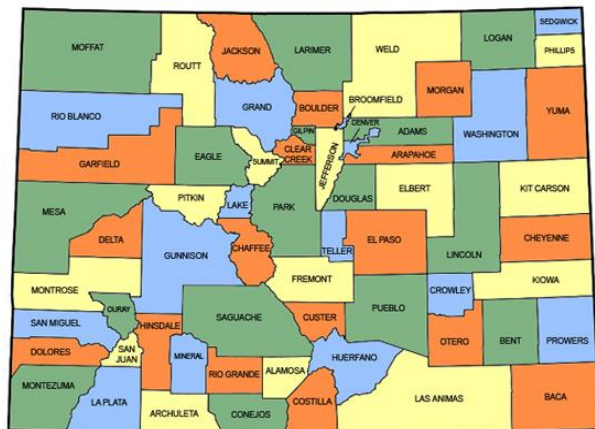
The background of the slide is a photograph of the Colorado State Capitol building in Denver. The building is a grand, classical-style structure with a prominent central dome covered in gold leaf. The dome is topped with a statue. The building's facade is light-colored, possibly limestone or marble, and features numerous windows and classical columns. In front of the building is a large, well-maintained green lawn. A wide, paved walkway leads from the foreground towards the building's entrance. There are several street lamps with multiple white globe lights along the walkway. The sky is a clear, bright blue with a few wispy white clouds. The overall scene is bright and sunny, suggesting a clear day.

Securitization in Colorado: Lessons Learned

**Senator Chris Hansen, PhD
(D-Denver, CO District 31)**

The Opportunity

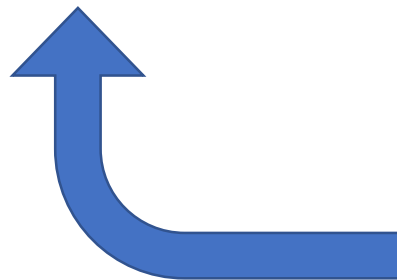
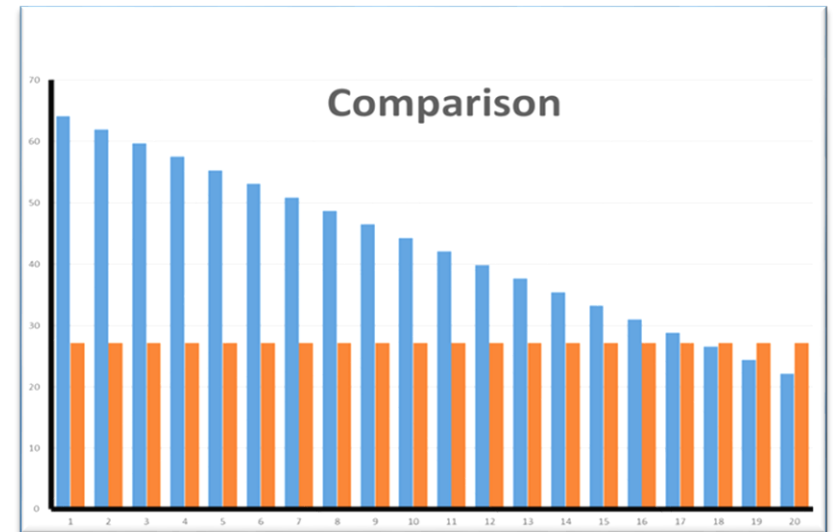
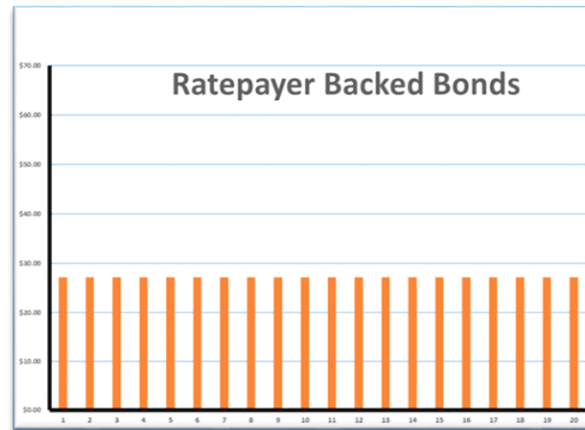
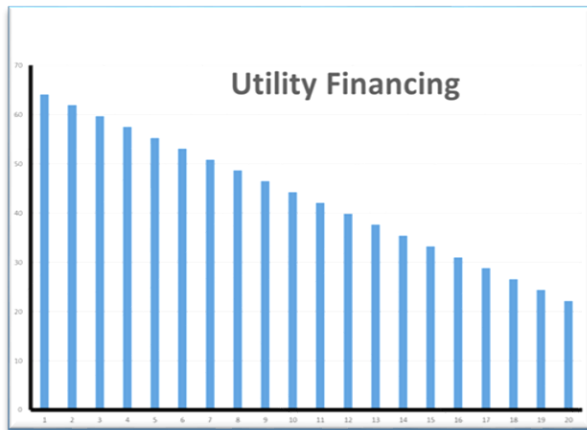
- Across 43 states, 558 coal-fired electric generating units (105,000 MW) have shut down or plan to shut down over the period 2010 –2025.*
- Coal plant closures will accelerate, given the lower costs of alternative generation
- Morgan Stanley projects that coal-fired electricity will decline from 27% of U.S. power in 2018 to just 8% by 2030.



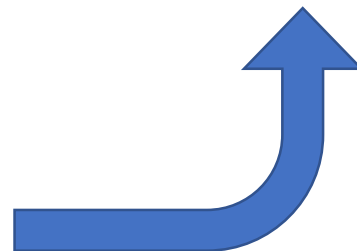
- Colorado should plan ahead for this eventuality and reduce the impact of closures on affected Colorado workers and communities.

How to finance the stranded costs

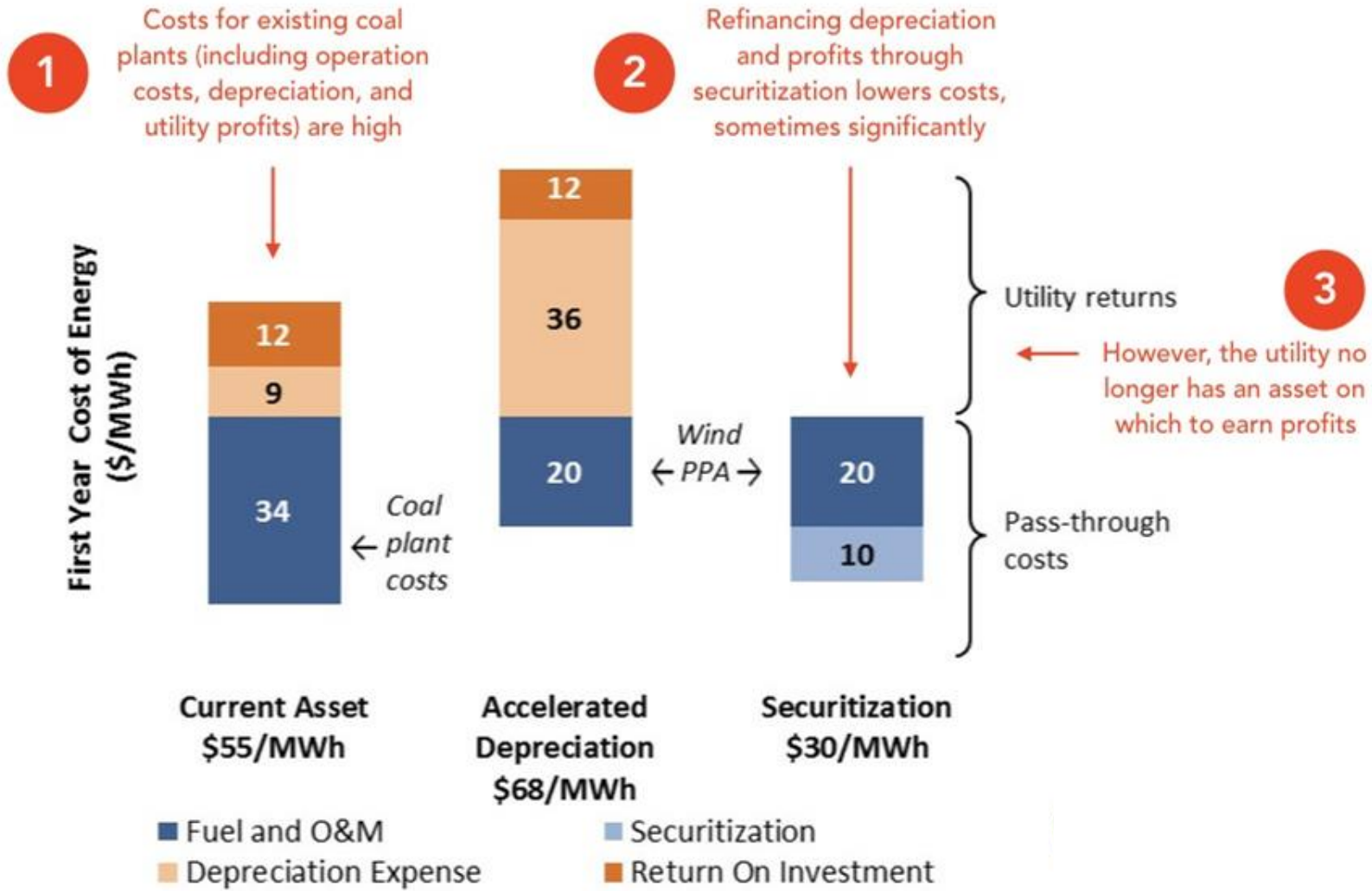
Two choices:



Undepreciated
Capital Costs

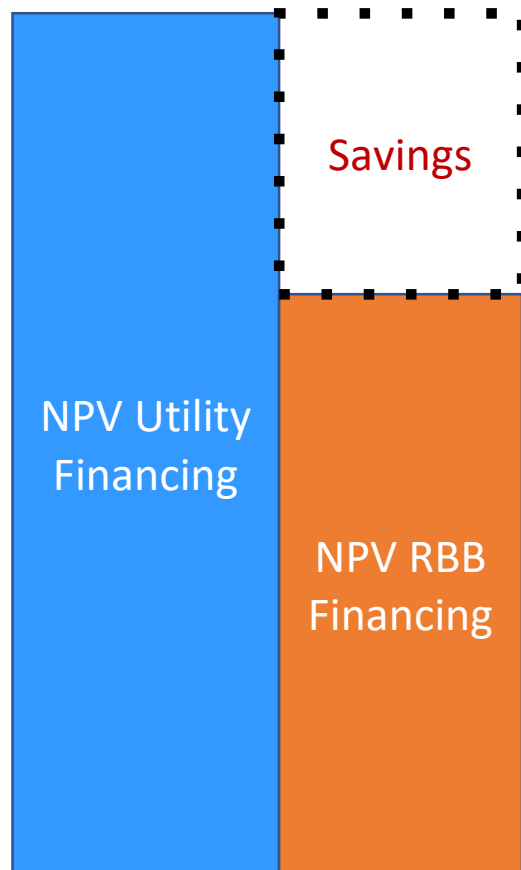


How Securitization Lowers Costs (Overview)



Source: Sierra Club

The savings can be used for several purposes



Savings Categories

- Lower marginal cost of power
- Smaller replacement portfolio
- Lower fuel price risk

Use:

- Rate reductions for consumers
- Retraining for affected workers
- Property tax support for affected local gov't