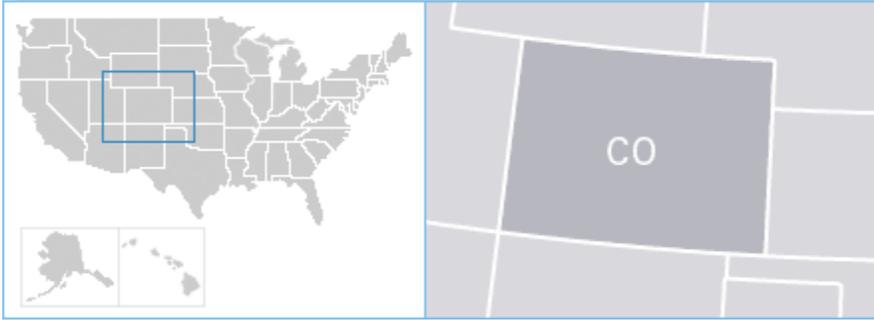


COLORADO



The CHP market in Colorado is somewhat favorable. The state received four out of five possible points for its CHP score in ACEEE's 2010 *Scorecard*. Between 2005 and 2010, Colorado installed 9 new CHP systems with a combined capacity of 10.7 MW.

Stakeholders in Colorado cite utilities as the largest stumbling block to CHP development. Utilities are not currently interested in having CHP as part of their portfolio, and are averse to the revenue loss associated with non-utility generation. While some municipal utilities are amenable or even attracted to including CHP in their portfolios, most public utilities in Colorado generate very little of their own power—buying most of it from IOUs or generation and transmission entities—so there is very little utility-sanctioned CHP in the state.

Despite Colorado having passed a fairly strong interconnection standard in 2005, utility interconnection practices were still cited as a major barrier to CHP. One developer suggested utilities in Colorado are averse to including CHP in their portfolios, and that they make the interconnection process more difficult than it should be and charge unreasonable fees. For example, a recent project at a hospital in Xcel Energy territory was killed due to the standby rate structure it faced.

As in other states, a lack of knowledge among key players has been a barrier in Colorado. The state has taken major strides over the past several years in energy efficiency and renewable energy, but CHP remains an often-disregarded solution to many of the same energy issues. There is inadequate understanding within the PUC and among the general public of the benefits of CHP. However, CHP developers in Colorado are generally confident that the next few years will see an increase in development. With recent utility commitments to begin phasing out coal power plants, stakeholders are hopeful that there will be renewed utility interest in CHP, and therefore fewer barriers to deployment.

New CHP Sites (2005-2010):
9 sites (#11)

New CHP Capacity (2005-2010):
10.7 MW (#26)

Average Capacity per Site (2005-2010):
1.2 MW

Total Primary Energy Consumption (2008):
1,498 trillion Btu (#25)

Average Gas Price (2009):
\$8.12 per MCF* (#38)

Average Electricity Price (2010):
9.34¢ per kWh (#22)

Energy Consumption by Sector

