



# Eggs & the Economy

Crime & Energy

March 29th, 2022



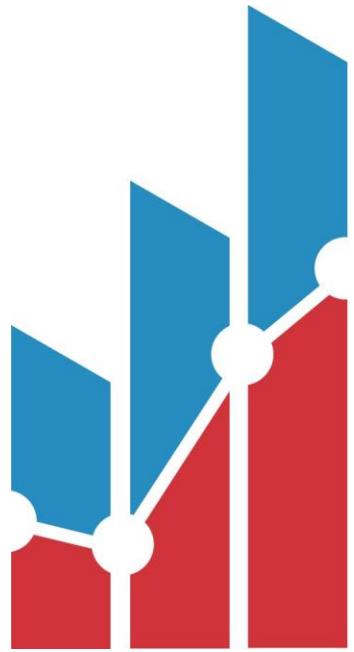
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**Kristin Strohm  
President & CEO**



# COMMON SENSE INSTITUTE

**We believe sound fiscal and economic research is essential to uphold Colorado's economy, vitality, future, and individual opportunity.**

# CSI Board of Directors





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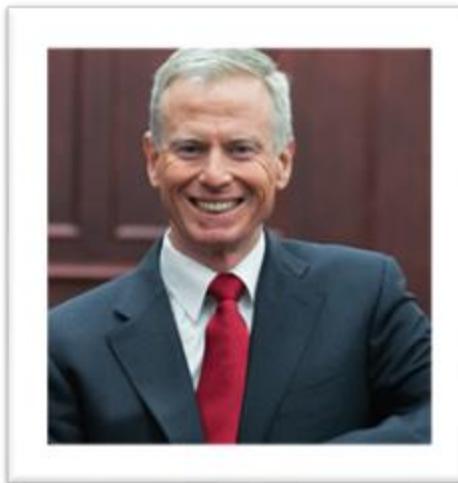
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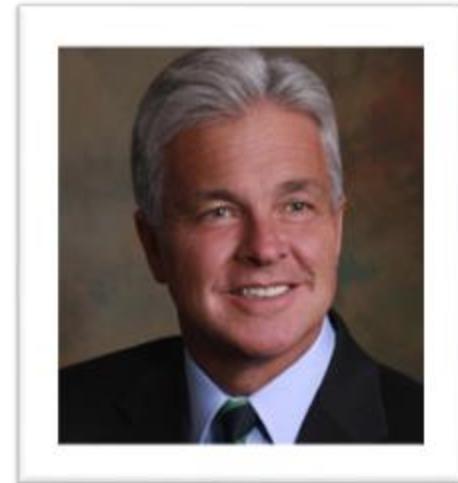
# Eggs & the Economy Panel



**Jon Haubert**  
ColoradoBiz Magazine



**George Brauchler**  
Common Sense Institute



**Mitch Morrissey**  
Common Sense Institute



**Chief Dave Hayes**  
City of Louisville Police

# 2021 Crime Key Findings

- The **cost of crime** totaled more than **\$31 billion** in 2021.
  - While costs are disproportionately felt by victims, this number represents an **average cost per Coloradan of \$5,320 a year**.
  - **Murder increased by 18% in 2021**, costing Colorado an **additional \$600M**. Both the **# & rates of homicides in 2021** were the **highest on record**, dating back to 1985.
  - Colorado ranked **4<sup>th</sup> worst in the U.S.** for its **property crime rate**. Compared to 2020 data, **CO's 2021** property crime rate **would have ranked 2<sup>nd</sup> worst** in the nation.
  - In 2021, **Colorado's motor vehicle theft rate increased by 33%**, costing Colorado citizens **\$1.35 billion**. Holding the same ranking as 2020, Colorado was the **1<sup>st</sup> worst state for motor vehicle theft in 2021**.



**Evelyn Lim  
Mike A. Leprino  
Free Enterprise Fellow  
Common Sense Institute**



# Colorado Faces Economic, Technological, and Even Geopolitical Barriers

Mike A. Leprino  
Fellowship





*"The future of energy security, the future of economic security, the future of national security, the future of climate security — these are all inextricably bound together."*

- Secretary Jennifer Granholm



# Energy Poverty

- **1.1B people do not have any access to electricity.** About 2.9B use solid fuels such as wood, charcoal, coal, and dung for cooking and heating.
- More than 60M additional people in Africa **would gain access to electricity** if OPIC allowed to invest in natural gas, not just renewables.



# Europe's Energy Crisis 2021

\$ Oil & Gas



Nuclear & Coal



Renewables

\$ Asia



# RUSSIA INVADES UKRAINE

North Macedonia  
Bosnia & Herzegovina  
Moldova

**100%**

Finland  
Latvia  
Serbia

**90%**

Germany  
Italy  
Poland

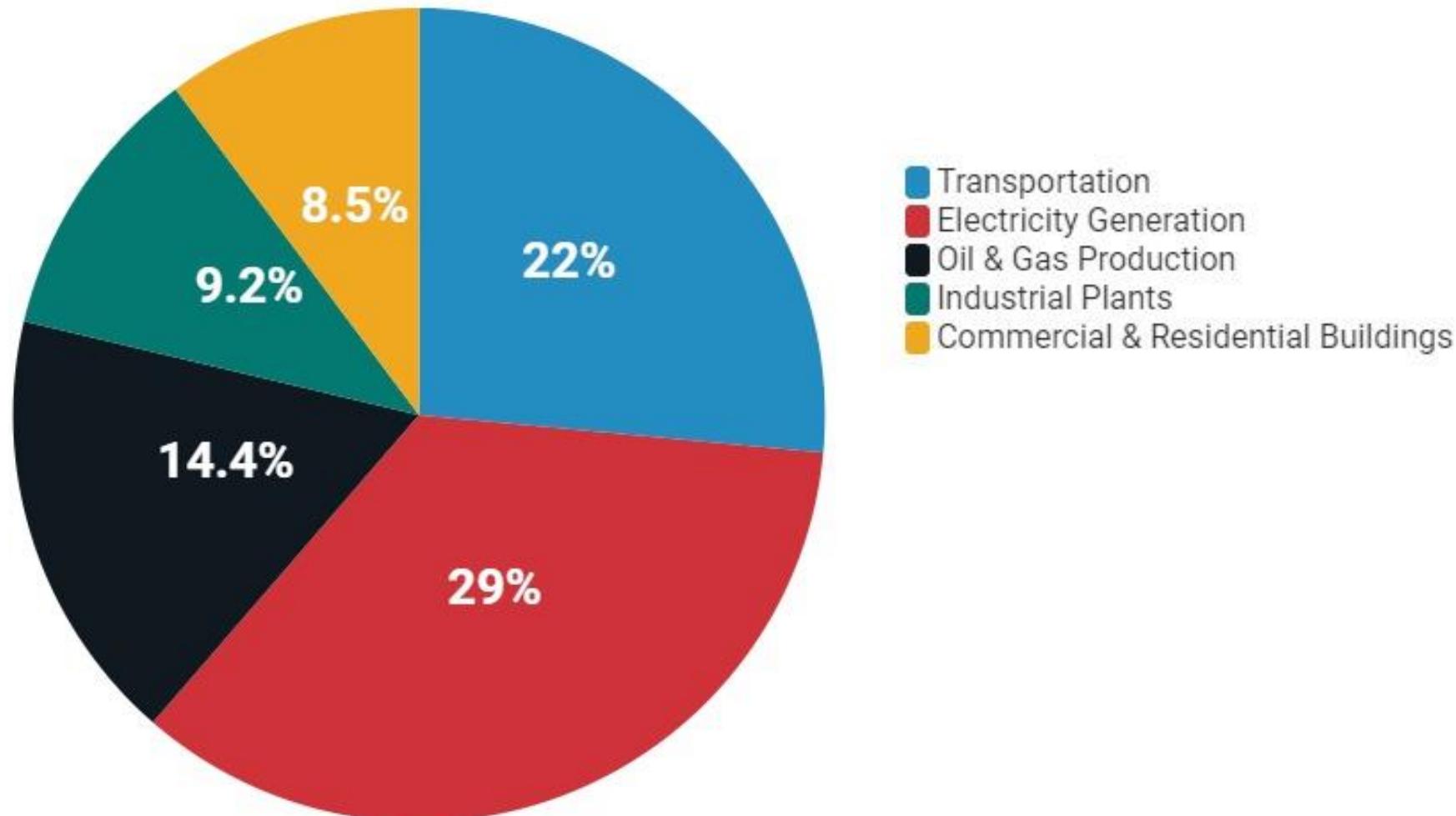
**40%**





**HB 19-1261 targets:**  
**26% by 2025**  
**50% by 2030**  
**90% by 2050**

# Colorado's GHG Emissions 2005 Baseline



# PUBLIC UTILITIES COMMISSION

How these goals are **balanced** and **applied** has a **direct impact on the rates** captive consumers pay for their electricity.



## **POWER PATHWAY**

\$1.7B regional transmission project for wind and solar transmission

## **SMART METERS**

\$419M installation cost and TOU rate schedule

## **ELECTRIC VEHICLES**

940,000 EVs on the road by 2030 (60%)

## **BENEFICIAL ELECTRIFICATION**

Beneficial electrification plans by July 1, 2022

## **MICROGRIDS**

\$23.4M local energy grid



## ELECTRIC VEHICLES



- ✓ 6% of new car sales in the United States;  
3% in Colorado
- ✓ Expensive
- ✓ Range Anxiety

## MINERALS

- ✓ China owned - less safe, less ethical, less environmentally conscious
- ✓ Supply chain issues
- ✓ Any shortage will impact speed & scale of deployment



# BENEFICIAL ELECTRIFICATION - HOMES



- ✓ No demand; poor experience, limited availability, high upfront costs, lack of workforce
- ✓ Inadequate infrastructure to convert; service panels/wiring, duct work, size
- ✓ Increase emissions

# REGULATION

## TOP CHALLENGE

## Laws and Regulations Directed by HB19-1261 and Other Climate-related Legislation

# OBSTACLES TO NET ZERO

## GLOBAL

Meeting Colorado targets would reduce worldwide emissions by .3%

## COST

Transition is being driven by government policy and regulation rather than competitive market.

## REGULATION

Mixed messages at the federal and state level hinders growth and innovation.

## FOCUS ON RENEWABLE

Renewables are intermittent and storage solutions are needed. Consider nuclear.

## DISPLACEMENT

Without corresponding reductions in consumer demand, offshoring pollution to developing countries.

## SECURITY

Dependence on foreign countries can directly or indirectly place the US in a position of economic, political, or military vulnerability.





# BALANCE

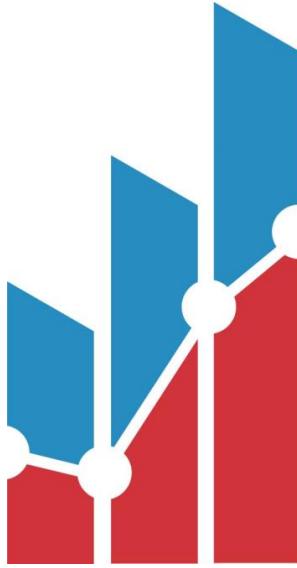
Accelerating an energy transition is fraught with setbacks, often with economic and societal consequences, and as is very clear today, national security concerns.



## KEY POINTS

- Economic growth and environmental protection are not mutually exclusive. We must stop looking at them as opposing goals.
- Target must be flexible and factor in supply chain risks outside of our State's control.
- Trying to achieve aggressive targets will not come without economic and social costs. Therefore, we must balance the need for action with the impact on Coloradans.
- Technology will be key to meeting goals, but new technology must be viewed in the context of the system developments ongoing.
- Our regulatory environment inhibits growth and investment and disincentivizes innovation.
- Energy security, climate security, economic security, and national security are inextricably bound together. An overemphasis on one will have vast consequences on the others.





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