

KEY TRENDS IN COLORADO'S ENERGY LANDSCAPE

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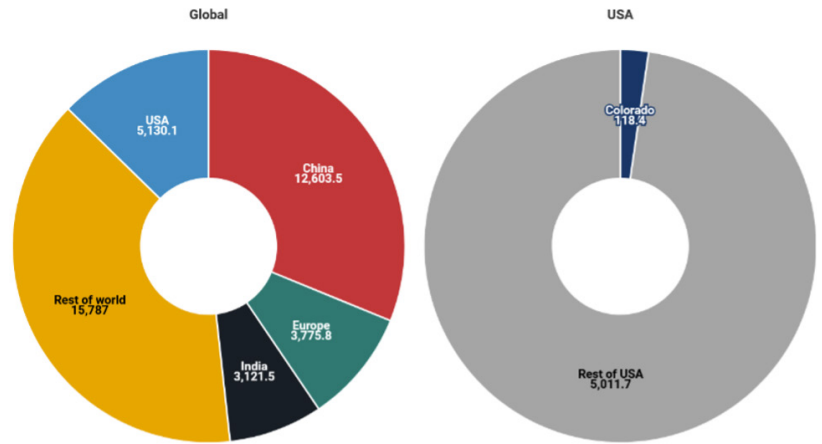


Colorado is abundant in natural resources, but CO₂-emissions reduction policies are increasingly influencing energy production, use, and prices. Legislation passed in 2019 mandates an 80% reduction in CO₂ emissions in the power sector and a 50% reduction across all sectors from 2005 levels by 2030. The state's 2021 and 2024 policy roadmaps outline strategies to achieve these targets.

Four Key Trends to Know

Emissions – There needs to be an additional 36% reduction in statewide CO₂ equivalent emissions by 2030 to meet the state's policy goals. Colorado's CO₂ emissions have declined in recent years but this reduction has been met with rising electricity prices. The 118 million metric tons of CO₂ emitted from Colorado annually is just 0.2% of global CO₂ emissions.

Emissions in 2023 (MMT)

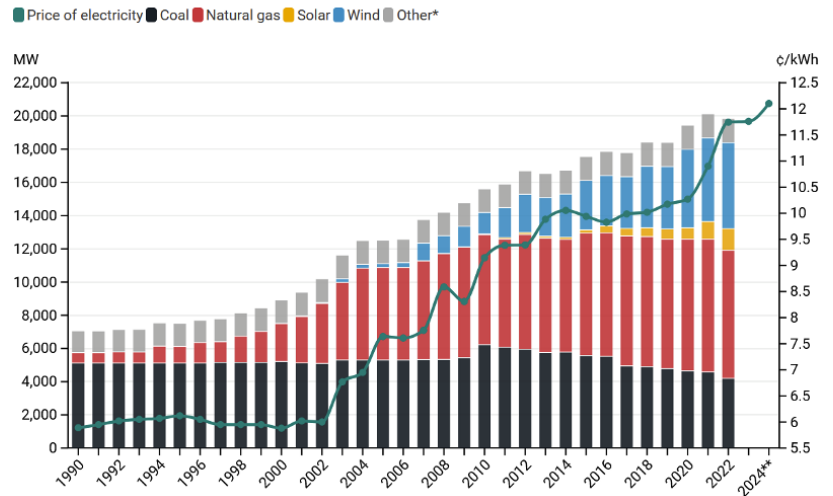


Sources: Energy Institute, CSI estimates based on EIA data

Electricity Capacity, Generation and Prices – Colorado electricity prices grew by 12% between 2010 and 2020. And, between 2020 and 2023, Colorado electricity prices grew by 15%. The period between 2021 and 2023 also experienced high inflation.

One third of Colorado's power generation comes from coal, which is slated to be fully decommissioned within the next seven years. Since 2010, the share of electricity generated from coal has decreased from 68% to 33%, while wind and solar power generation combined has increased from 7% to 34%.

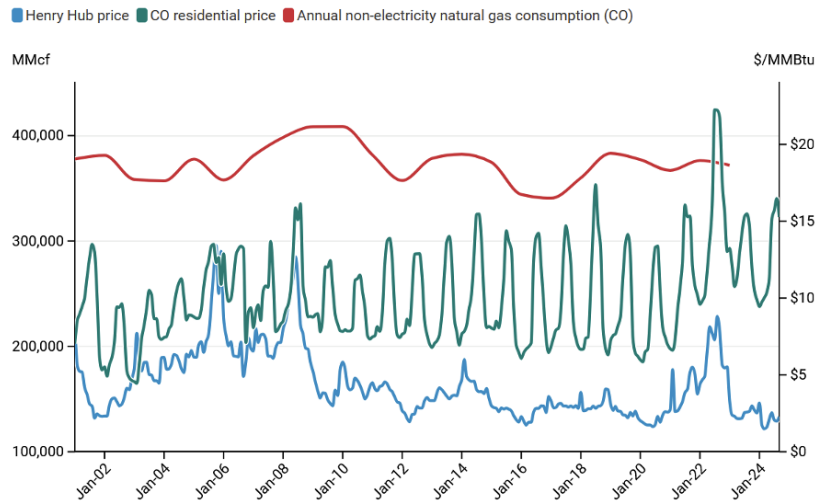
Colorado Electricity Price and Nameplate Capacity by Fuel Type



Oil and Gas Production – While US production of oil and gas has grown to record highs in the past two years, 13.2 million barrels per day currently, Colorado production ranges between 400,000 and 500,000 barrels per day. Colorado’s production peaked in October of 2019 at 568,000 barrels per day.

Natural Gas – There is a dramatic and growing disconnect between what consumers pay for natural gas and the underlying price of the commodity. The two separated after 2008 when the price of natural gas dropped but rates charged to consumers did not. More recently, in the last two years, the underlying price dropped again while residential rates rose substantially.

Natural Gas Prices and Consumption in Colorado



Read the Full CSI report here: [Key Trends in Colorado’s Energy Landscape](#)