

Meet Ron Binz



By John Harpole

he current nominee to become chairman of the Federal Energy Regulatory Commission (FERC), Ron Binz, once processed insurance claims and served as an instructor in mathematics at the University of Colorado. I first met him more than 25 years ago when he was advising the Colorado Energy Assistance Foundation, a low-income energy advocacy group that I supported.

In 1984, after helping craft the legislation necessary to create a new type of utility watchdog, Binz became the director of Colorado's first state-funded consumer-advocate office.

In 1993, he congratulated me on an op-ed piece that I wrote, entitled "Defining the Benefits of Natural Gas." In that article, I noted that during the 1980s and early '90s, 98% of the electricity generated by Public Service Co. of Colorado was generated by burning coal.

It was obvious that through regulatory policies, the state government was determining the winners and losers in electric generation. During that time, the coal industry was clearly the winner—98% of the time.

For the next 18 years, we witnessed repeated skirmishes in Colorado in the coal versus gas debate. But that era would best be known for the growth in renewable-energy projects—primarily wind farms.

I believe that it was Binz's efforts on behalf of the wind industry that prompted Colorado's "New Energy Economy" governor, Bill Ritter, to nominate him to the state's Public Utility Commission (PUC).

During those early 18 years of the "Renewable Portfolio Era," new demand for gas-fired electric generation languished in the shadow of wind-energy projects.

That was the case until April 2010 when House Bill 1365, The Clean Air-Clean Jobs Act, became law. By then, Binz had become chair of the PUC. His effort related to HB-1365 would become his most controversial legacy.

Colorado's General Assembly passed HB-1365 in anticipation that the Federal Clean Air Act would require reductions in emissions from coal-fired power plants in Colorado.

The General Assembly reasoned that a coordinated plan of emissions reduction would enable the utilities to meet the requirements of the federal act and protect public health and the environment at a lower cost than a piecemeal approach.

House Bill-1365 proceedings were understandably controversial, as coal lobbyists made every effort to derail the proceedings, including a motion to disqualify Chairman Binz.

As one PUC attorney reflected, "It's as if they were drawing a line in the sand to stop the concept from spreading to other states."

During the HB-1365 debate, one claim made repeatedly by coal interests was that "government shouldn't pick winners and losers."

That's quite a straw man erected by an industry that for decades benefited directly from regulatory incentives in support of expensive, coal-fired electric generation projects. Remember the 98% number?

As a result of HB-1365, 900 megawatts of coal-fired plants will be retired in the ozone non-attainment area surrounding Denver. A large portion of that new electric generation portfolio will be fired by gas.

Throughout the debate, Colorado's coal industry was relentless in its assertions that the legislation would force coal mines to close, causing a significant loss of coal-mining jobs. In fact, the opposite has occurred since passage.

Since 2010, total Colorado coal production is up more than 17% (29,459,873 tons in 2012, compared with 25,150,705 in 2010). In fact, total Colorado coal sold outside the U.S. increased 125% from 2011 to 2012 (4,422,972 tons in 2012, up from 1,960,284 in 2011).

I asked attorneys who practiced before the PUC and Colorado state office holders to comment on Commissioner Binz's efforts while he was chair of the PUC. The positive comments can be summarized as follows: ... "deeply committed to the interests of utility consumers and the environment." "He is smart, principled, and, frankly, relentless." "Ron has been a force to be reckoned with in Colorado utility regulation for years ..." "Ron, in my experience, is a steadfast advocate for all consumers."

However, he also has detractors: "I think that there are areas where he overstepped regulatory boundaries set in statute for the PUC." "Ron Binz has two legacies as chair of the PUC—much, much higher utility rates for Colorado consumers and much, much higher profits for his favorite 'regulated' utility."

Chairman Binz and I have never agreed on man-made global warming. He would label me as a "denier." There is no doubt that his contribution to HB-1365 was critical to its passage. There is also no doubt that if confirmed by the U.S. Senate to become the next chairman of the FERC, Binz will remain relentless in his goal to rid the world of carbon.

I hope if he's confirmed by the Senate that he uses his many talents to address and solve the issues we face as a natural gas industry. But above all else, I hope he remembers that FERC's decisions have financial repercussions for everyone including middle- and low-income rate payers. ■

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