



## Colorado Energy Office's 2021 Legislative Agenda

### **Background**

The Colorado Energy Office (CEO), in partnership with CPDHE, CDOT, and other state agencies, finalized [Colorado's Greenhouse Gas Pollution Reduction Roadmap](#) (Roadmap) on January 14, 2021. The Roadmap shows that Colorado is roughly half-way to meeting its near-term 2025 and the 2030 Greenhouse Gas (GHG) targets but progressing toward the state's goals will require additional policies beyond the actions the state has taken already including:

- Continuing the transition to renewable energy.
- Expanding adoption of electric cars, trucks and buses.
- Changing transportation and land use planning to reduce the need to drive.
- Expanding building efficiency efforts and electrification of buildings to reduce emissions in the built environment.
- Reducing methane pollution from oil and natural gas production.

The Energy Office's 2021 legislative agenda focuses on decarbonizing the built environment and providing sustainable funding for income qualified energy programs.

### ***Improving Building Energy Benchmarking and Performance Improvements***

This legislation gives building owners the tools they need to make informed choices on energy efficiency improvements through an energy use reporting requirement and energy performance standards.

- Creates the Climate Change Mitigation and Adaptation Fund.
- Creates the Building Energy Use Reporting Requirement for private buildings over 50,000 sq feet.
  - Directs CEO to develop a database of buildings covered by reporting and performance requirements.
  - Requires owners of covered properties to collect and report energy use data to the CEO starting on June 1, 2022 and each year thereafter.
  - Allows a fine for non-reporting starting June 1, 2024.
- Creates a Building Energy Performance Requirement.
  - Implements building performance standards in 2026 and permits compliance through several different mechanisms
  - Directs the Air Quality Control Commission (AQCC), in 2027, to continue or modify building performance requirements.

### ***Modernizing Regulated Gas Utility Efficiency Programs***

This legislation updates 2007 legislation on gas utility efficiency to implement changes that increase customer energy and cost savings, reduce greenhouse gas pollution, and better align natural gas DSM programs with electric DSM programs and beneficial electrification. The bill would require the PUC to set energy savings for each gas utility. It would also update the calculation of cost-effectiveness by requiring utilities to include a social cost of methane.

### ***Supporting Biogas Development***

This legislation will direct the Public Utilities Commission to implement programs to reduce the carbon intensity of the gas delivered through the local distribution company (LDC) by displacing a certain amount of fossil gas (methane) with biogas (or biomethane) derived from renewable energy sources; waste carbon dioxide; coalbed methane resulting from human activity; naturally occurring coalbed deposits; a municipal solid waste landfill; waste tire or municipal solid waste pyrolysis; or biogas recovery from manure management systems and anaerobic digesters or hydrogen.

### ***Building Beneficial Electrification***

This legislation requires the Public Utilities Commission to implement a rulemaking to establish energy savings targets and approve plans under which investor-owned electric utilities (Xcel and Black Hills) will promote the replacing fossil gas uses with efficient electric end uses like space and water heating. Requires annual reporting of beneficial electrification programs similar to annual reports for demand side management programs.

### ***Low-Income Energy Assistance***

This legislation amends the low-income energy assistance statutes to implement a flat fee of \$1.00 a month per customer for each covered utility, including water utilities, that creates a fund to provide funding for energy assistance and energy retrofits. Customers are allowed The bill specifies Energy Outreach Colorado (EOC) as the administrator of the funds. It requires EOC to submit a budget allocation of funding received for board approval and to provide a portion of the funds collected to CEO to support the Weatherization Assistance Program. The bill would require the Public Utilities Commission to initiate a rulemaking to implement the energy assistance systems benefits charge. CEO projects that the bill will generate TK in support.