

Colorado Energy Office SMART Act Hearing

Joint Energy Committee
January 17, 2024

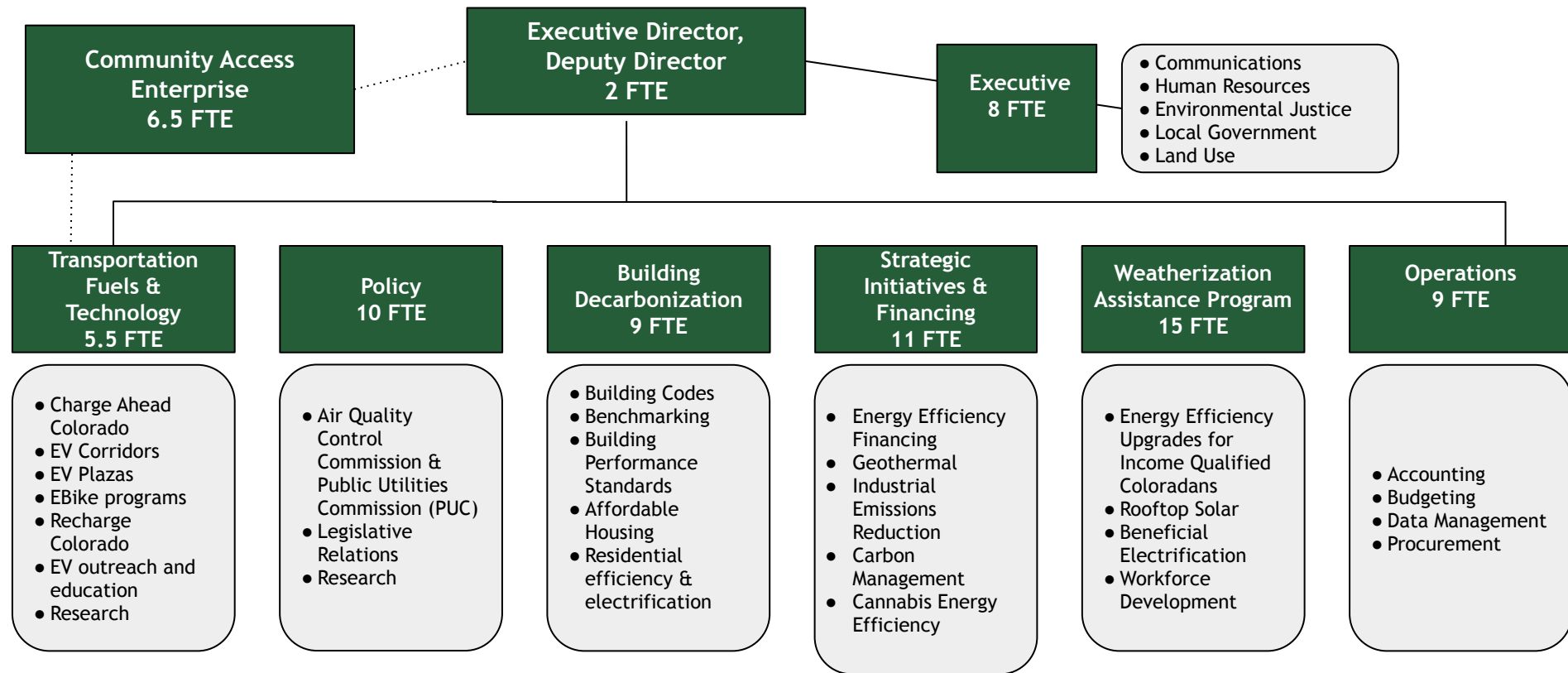
Mission

Reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans.

Vision

A prosperous, clean energy future for Colorado.

CEO Organizational Chart



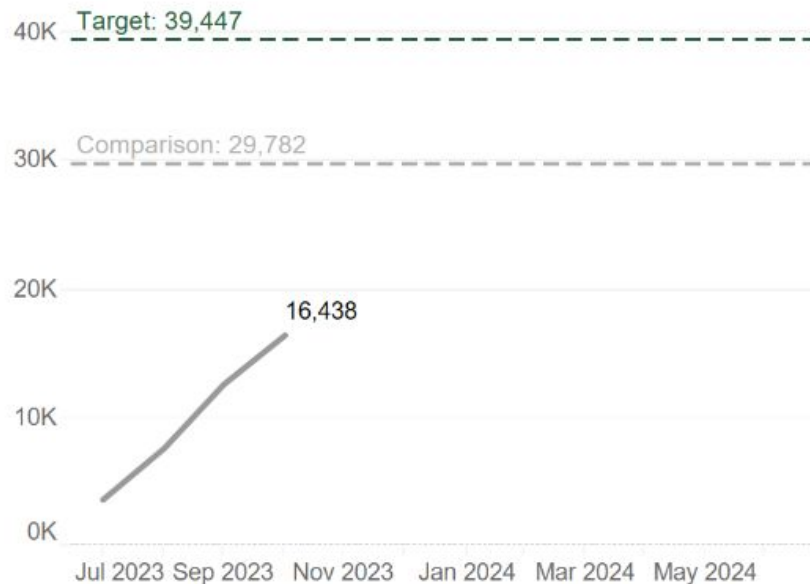
Wildly Important Goals (WIGs)



Zero Emission Vehicle Registration (as of Sept '23)

Increase the number of annual new light duty electric vehicle (EV) registrations to 39,447 by June 30, 2024.

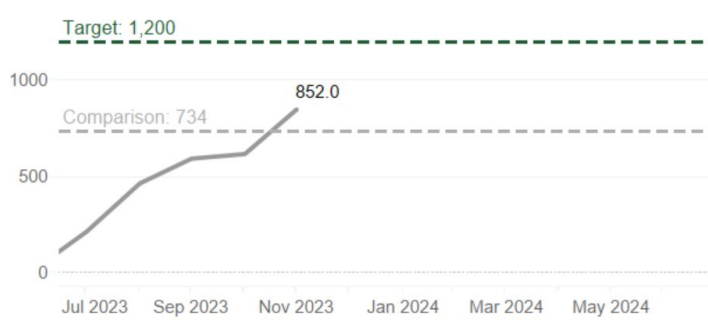
Successful completion of this goal will put Colorado on track to meet its ambitious greenhouse gas pollution reduction goals. The reduction goals rely heavily on electrification of the transportation sector, the largest source of emissions, currently representing 27% of total emissions in Colorado.



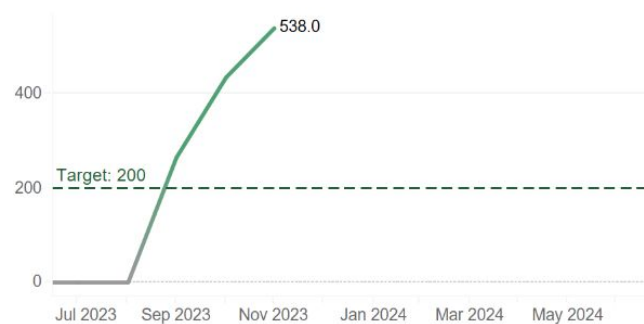
Transportation WIGs - cont.

The CEO will achieve this goal through the following leading indicators:

Make awards for 1,200 L2 and DCFC electric vehicle charging station ports across the state through all Colorado Energy Office infrastructure grant programs by June 30, 2024. (as of Nov '23)



Make awards for 200 high-emitting vehicle replacement applicants including incentives for new and/or used EVs through a new statewide program by June 30, 2024. (as of Nov '23)

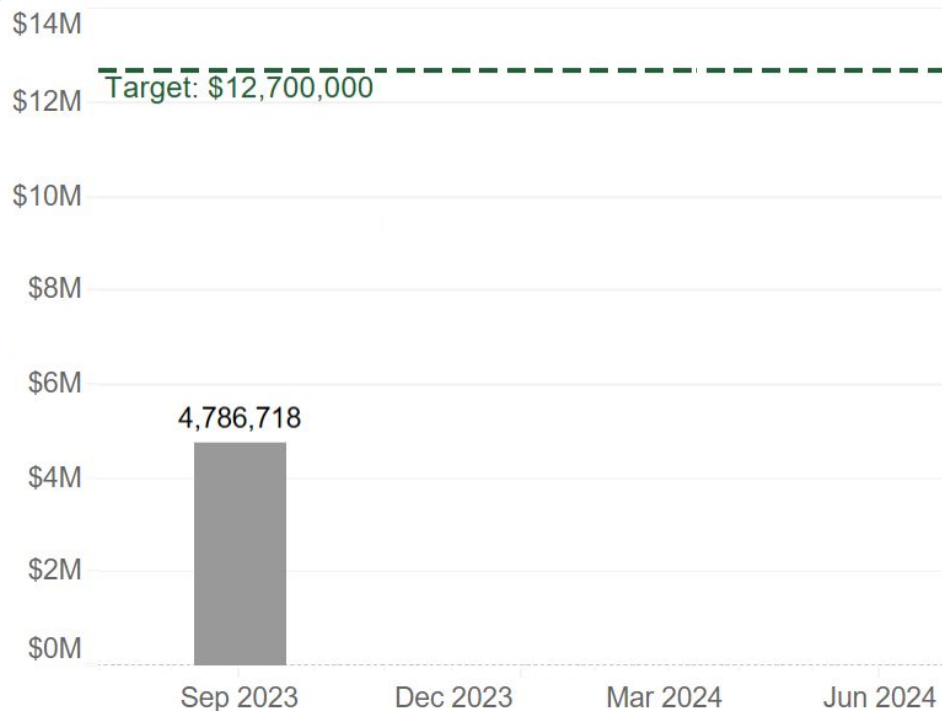


Building Emissions WIG

Building Emissions Reduction (as of Sept '23)

Implement programs that achieve an estimated \$12.7M in annual cost savings resulting from energy efficiency, conservation and renewables in the built environment, which includes homes and buildings, by June 30, 2024.

Successful completion of this goal will reduce the energy burden of low income Coloradans and reduce costs for other homeowners, building owners and businesses. It will also reduce total emissions related to building energy use which is a major source of emissions in our state.



GHG Pollution Reduction Roadmap WIG

Roadmap 2.0 (as of Sept '23)

Update the Greenhouse Gas Roadmap, including a new near-term action plan for 2023-2026, by June 30, 2024

The Greenhouse Gas Pollution Reduction Roadmap, released in January 2021, laid out a clear action plan to meet the State's pollution reduction goals. Successful completion of this goal will identify additional near term targets and actions needed to keep Colorado on track to meet its ultimate climate action goals



More Information

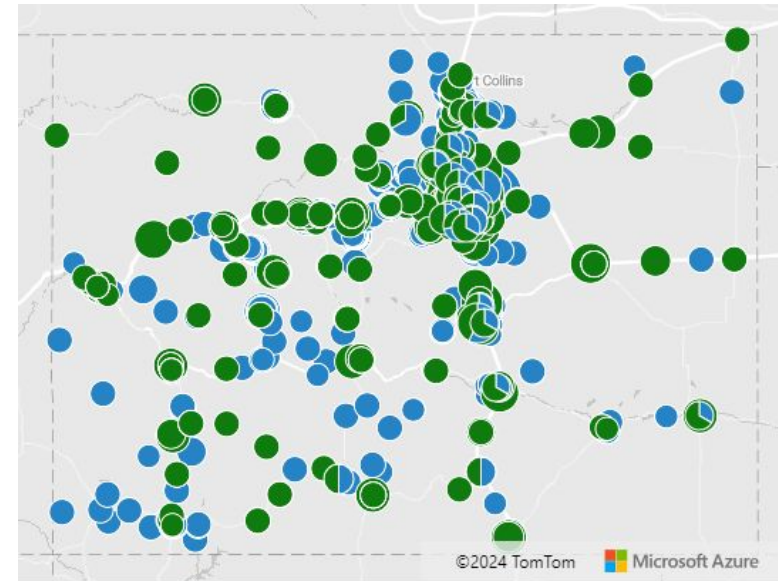
To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department goals and context, view our [FY 2023-24 Performance Plan](#).

Operations & Finance

CEO Performance Management

- In addition to WIGs, CEO teams internally track progress on dozens of goals on a monthly basis
- Information is made public where possible
 - Example: [EV Dashboard](#) (screenshot)
- Goals are reviewed each year and updated during Strategic Planning
- EDI goals have been included in internal tracking
- Goals are also incorporated into individual performance plans which are created annually and reviewed at mid-year and end of year

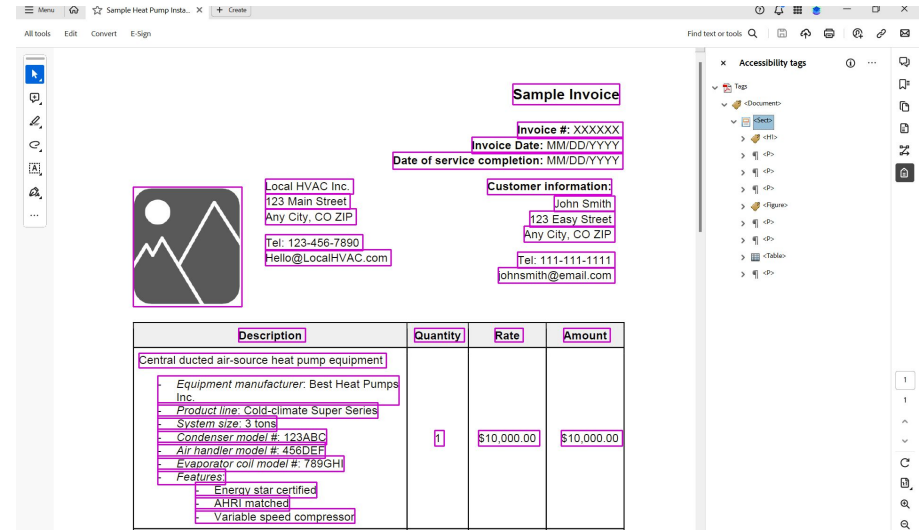


Charging Level ● Level 2 Ports ● DC Fast Charge Ports

Sample screenshot from EV Dashboard

Accessibility

- CEO is working on a website redesign expected to launch this spring, which will address accessibility issues on the site
- CEO is coordinating with the Governor's Office to bring on a contractor to assist with PDF remediation and develop guidelines for accessibility in procurement
- CEO program teams are working on implementing governance processes to identify and prioritize PDFs for remediation



CEO staff are learning how to create and identify accessible content.

Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order 2020 175, the Department has implemented the following efforts in accordance with its EDI plan:

- Staff Training, including EDI Certification of EDI Co-Chairs, Lunch & Learn Series
- EDI Agency Analysis & Assessment facilitated by the Statewide Equity Office to ensure continued commitment to improving practices
 - Includes an EDI Long-Term Plan with goals by department related to our community impact
- Continued work to build equity and environmental justice into program design



CEO FY 2024-25 Budget Request

FY 2024-25 Budget Request Snapshot

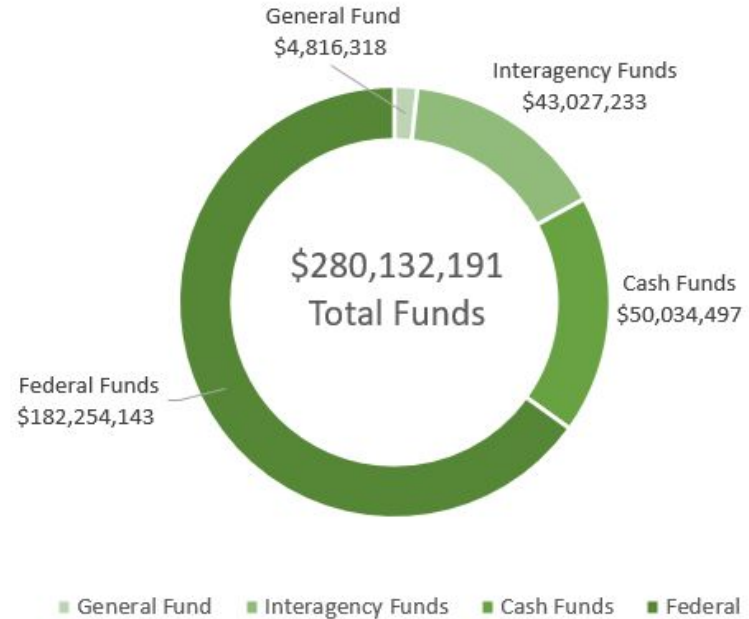
FY 2024-25 Total Funds: \$280,132,191¹

FY 2024-25 General Fund: \$4,816,318

Planned FY 2024-25 FTE: 71²

¹ Includes Federal Funds CEO has not yet been granted or awarded, such as Solar For All, full Rebates, EECBG, RLF, BPS, and Codes Federal Grants totaling ~\$70M and this includes non-appropriated funds for transparency

² Does not include Community Access Enterprise Staff



Legislative Agenda

CEO does not have any Decision Items for our FY25 budget submission. The Office respectfully requests consideration of the following legislation:

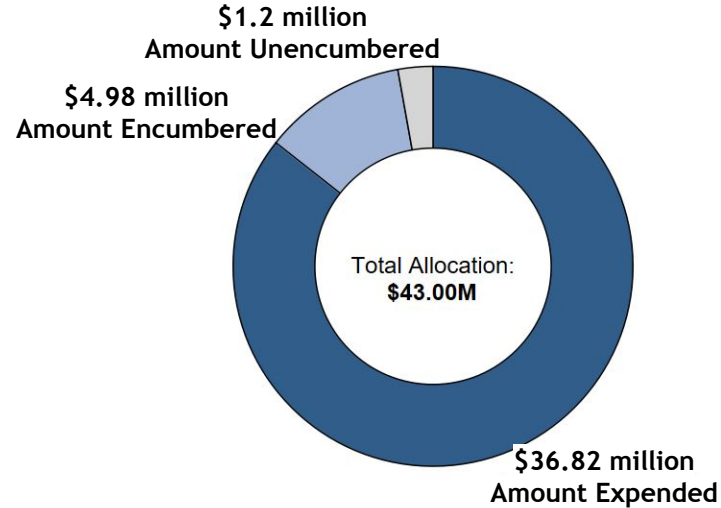
- Updating Clean Energy Planning for 2040
 - Setting a 2040 emissions target of nearly 100% emissions free electricity
- Modernizing Renewable Energy Permitting and Siting
 - Develop statewide consistency for renewable energy permitting and siting
- Distribution System Planning
 - Addressing key challenges to electric distribution system planning to ensure utilities are able to meet increasing demands for electricity in a timely and cost-effective manner.



Stimulus Funding Implementation

Overall Spend Status - CEO

State Stimulus

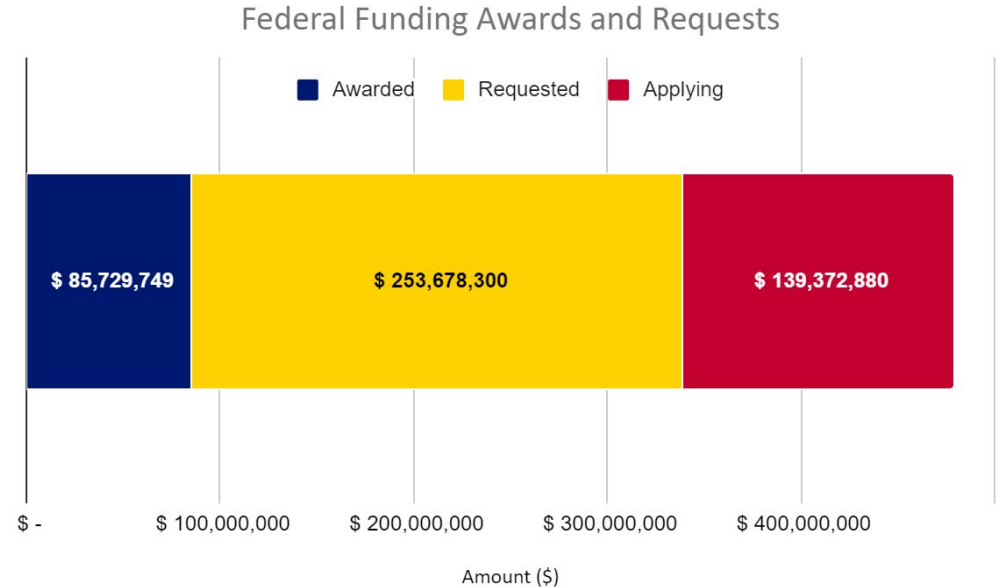


Note: CEO does not have any SLFRF or DAA stimulus funds



Federal Funding - IIJA & IRA

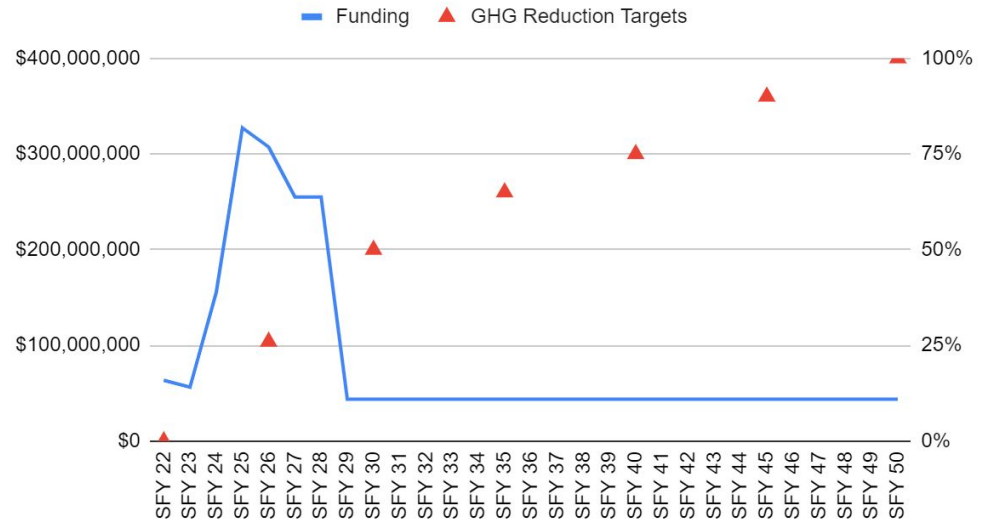
- CEO has received over \$85 million from the IIJA and IRA including
 - Weatherization
 - Grid Resilience
 - Building Codes and Performance Standards
 - Climate Pollution Reduction Grants
- Applying for additional funds
 - Including \$250 million competitive grant from Solar for All Program



Long term Funding Outlook for CEO

- Many of CEO's programs are dependent on either one-time state funding or one-time federal funding.
- As a result, CEO's funding is slated to decrease as the state's goals for greenhouse pollution reductions increase.

Funding and GHG Reduction Targets



Regulatory Agenda

CEO engagement in 8 rulemakings and proceedings in FY24:

File comments and participate in three Air Quality Control Commission Rulemakings for Building Performance Standards, Clean Cars, and Greenhouse Gas Emissions and Energy Management for Manufacturing II, by June 30, 2024

- Regulation 20: Advanced Clean Cars II
- Regulation 28 Building Performance Standards
- Regulation 27: Greenhouse Gas and Energy Management for Manufacturing (GEMM) II

Participate in rulemakings and five proceedings at the Colorado Public Utilities Commission for Clean Heat, Gas Demand Side Management, and Beneficial Electrification by June 30, 2024. Includes electric resource plans, Transportation electrification Plans, and

- 23A-0392EG: Xcel Clean Heat Plan
- 23M-0234G: Xcel Gas Infrastructure Plan
- 23A-0589EG: Xcel DSM Plan
- 23M-0446EG: Xcel Pilot Docket
- 23A-0361G: Black Hills DSM Strategic Issues
- 22A-0382ST: Xcel Steam System Plan
- 23M-0464E: Electric Policy Docket

Program Updates

Transportation - Project Highlights

- Significant progress with launch of E-bike Rebate Program, Vehicle Exchange Program, expansion of charging programs using federal NEVI and enterprise funding
 - E-bike, Vehicle Exchange Program support low income vehicle electrification
- Published 2023 EV Plan



"I'm disabled and cannot afford an automobile, so my new cargo ebike enables me to have the ability to get around town independently. Thank you so very much for this valuable and appreciated program!"

-rebate recipient

Transportation - Project Highlights



- CEO supported extension and expansion of Clean Cars Standard at AQCC
- CEO supported adoption of Advanced Clean Truck and Low NOx Omnibus rules at AQCC
- Ozone Season Transit Grant Program corresponded with 32% increase in ridership for participating compared with 2022

Buildings Efficiency and Electrification - Highlights

- Adopted model building codes, secured additional federal funding
- Launched tax credit programs from HB23-1272
- Awarded funding for building electrification (including projects in Fruita and Aurora)
- Selected first awards for industrial decarbonization

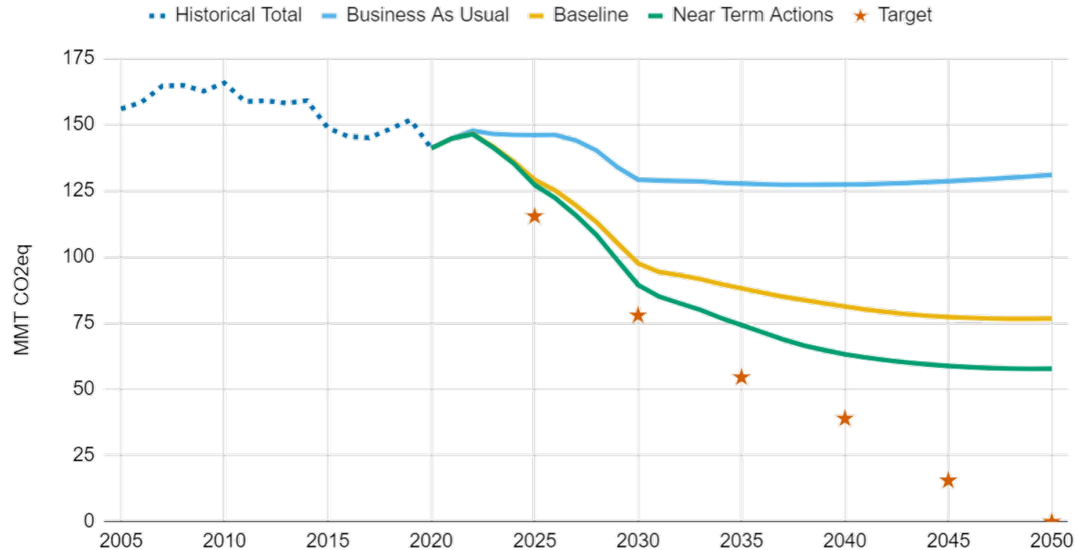


Fruita Mews. Construction of affordable housing units. October 2023.

Greenhouse Gas Roadmap 2.0 - Highlights

- 95% completion of Near Term Actions from Roadmap 1.0
- Updated modeling
 - Accomplishments of 1.0 including GEMM rules, clean heat, clean cars
 - IRA/IIJA
- New areas of focus
 - Housing policy
 - Carbon management
 - Hydrogen technologies
 - Geothermal technologies
 - 2040 clean electricity

Statewide Total Historic Emissions, Projected Emission Scenarios, and Statutory Targets
Shown in Million Metric Tons Carbon Dioxide Equivalent (MMT CO₂eq) and including emissions from land-use



Regulatory Work - Highlight

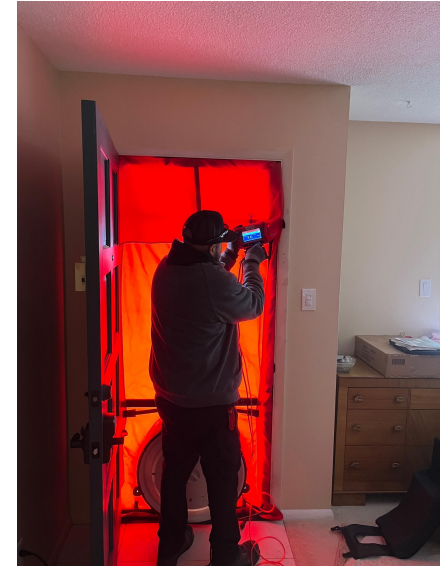
To implement legislation and the GHG Reduction Roadmap and to make progress towards GHG targets, CEO participates before the Air Quality Control Commission (AQCC) and the Public Utilities Commission (PUC).

- In FY 22-23 and early FY 23-24, this included 6 AQCC and 44 PUC proceedings (a record high number)
- Key AQCC dockets included Advanced Clean Trucks, Clean Cars, Building Performance Standards and Industrial GHG rules



Weatherization Assistance - Program Highlights

- Request for Application (RFA) for WAP service providers
 - FY19 was the last time an RFA was released
- Workforce Development
 - Partnered with Rocky Mountain PBS to promote WAP workforce opportunities
 - Hired full-time Climate Workforce Development Manager
- Prioritizing air-source heat pumps and electrification of propane/gas heated homes with rooftop or community solar opportunity



“I feel so fortunate that I was able to get my home in this program. My kids have slept in their own rooms for the first time in 6 years. I have friends who are willing to visit me now that “my house is warm”.”

-WAP client