

Colorado Energy Office SMART Act Hearing

Joint Energy Committee
January 16, 2025

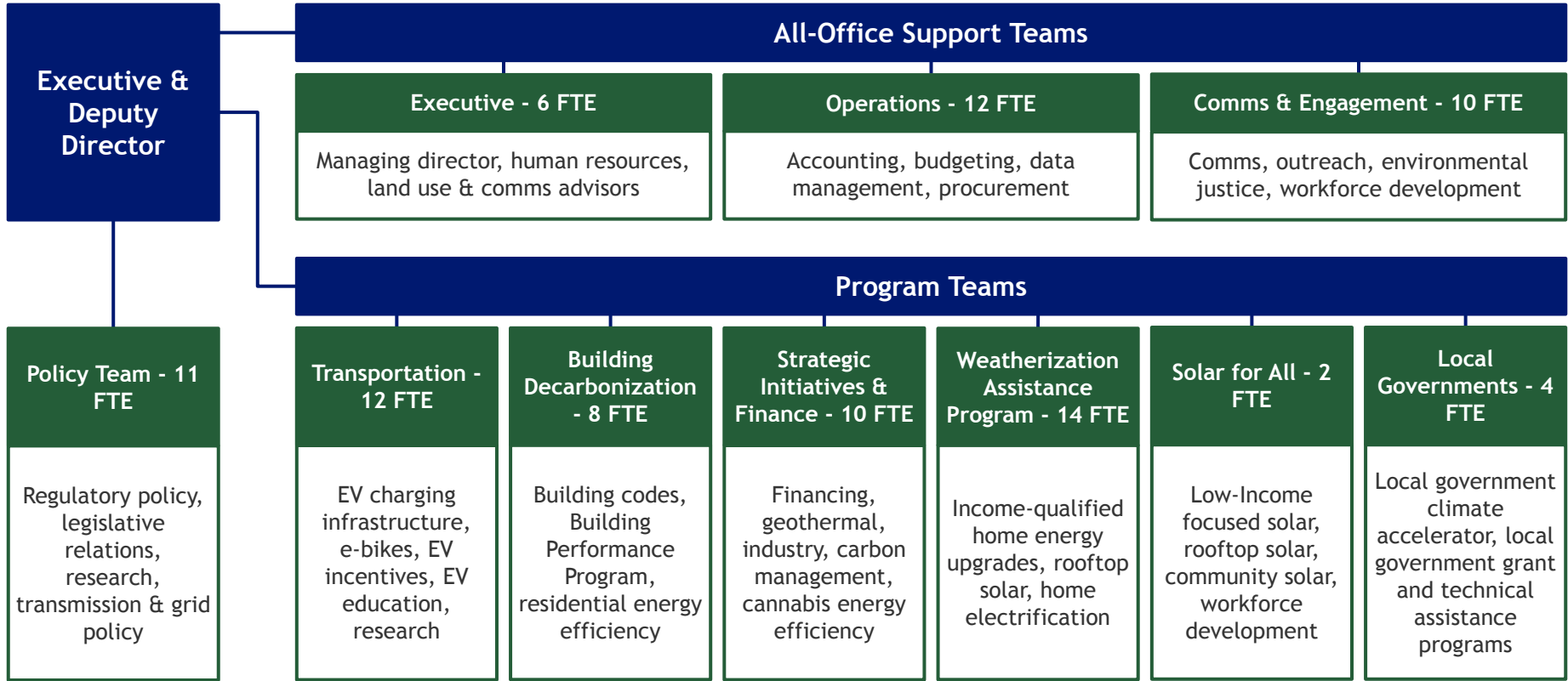
Mission

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) FY 24-25



GHG Roadmap 2.0 Implementation

The Colorado Energy Office will take action on its 6 lead administrative near-term actions et in the Greenhouse Gas Roadmap 2.0 by June 30, 2025.

The Greenhouse Gas Pollution Reduction Roadmap 2.0, released in February 2024, laid out a clear action plan to meet the State's pollution reduction goals. Successful completion of the near-term targets and actions stated in the Roadmap will keep Colorado on track to meet its ultimate climate action goals.



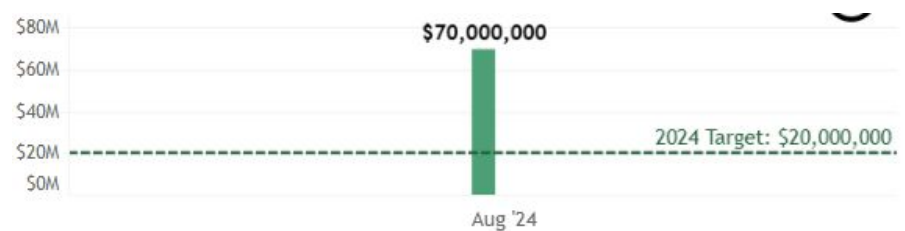
GHG Roadmap 2.0 Implementation - Strategies, 1 of 3

The CEO will achieve this goal through the following strategies:

Hire 4 key staff on a new team for the Solar for All grant to support the effective allocation of these funds and expand access to distributed solar in low- and moderate-income communities by June 30, 2025.

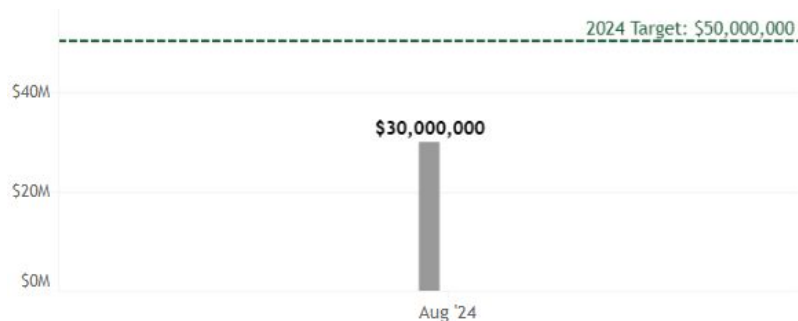


Acquire \$20,000,000 of Inflation Reduction Act (IRA) federal funding to begin the development process for the accelerator program to incentivize local government action to reduce emissions and promote equity by August 1, 2024.



GHG Roadmap 2.0 Implementation - Strategies, 2 of 3

Acquire \$50,000,000 in IRA federal funding to reduce local air pollution in disproportionately impacted communities by August 1, 2024.



Conduct 2 interstate meetings with Wyoming as part of the Memorandum of Understanding (MOU) agreement to continue the development of a regional strategy for Direct Air Capture (DAC) and Carbon Dioxide Removal (CDR) by June 30, 2025.



GHG Roadmap 2.0 Implementation - Strategies, 3 of 3

Create a model code for local governments to adopt best practices for local land use permitting for public electric vehicle charging projects by June 30, 2025.

Complete model code development stakeholder engagement process.

In Progress as of 2024-11-30

Expected Completion: 2024-12-31

Complete and publish model code document.

Not Started as of 2024-11-30

Expected Completion: 2025-03-31

Support local governments with model code adoption.

Not Started as of 2024-11-30

Expected Completion: 2025-06-30



Develop the draft Workforce Development Plan to address shortages in critical skilled-trade occupations (such as electricians, power sector works, and HVAC, energy efficiency, and EV maintenance technicians) and solicit stakeholder feedback by June 30, 2025.

Contract with vendor and kickoff Climate Workforce Study.

Completed as of 2024-09-30

Publish Climate Workforce Study.

In Progress as of 2024-12-31

Communicate key study findings to other government agencies and stakeholders

In Progress as of 2024-12-31

Draft Workforce Development Plan by incorporating study findings and stakeholder feedback based on the study.

Not Started as of 2024-12-31



Zero Emission Vehicle Registration

Increase the number of annual new light duty electric vehicle (EV) registrations to 105,226 by June 30, 2027.

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.



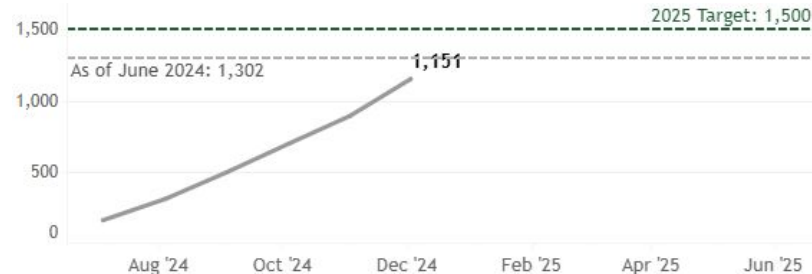
Zero Emission Vehicle Registration - Strategies, 1 of 2

The CEO will achieve this goal through the following strategies:

Make awards for 1,500 Level 2 and Direct Current Fast-Charging electric vehicle charging station ports across the state through all CEO infrastructure grant programs by June 30, 2025.

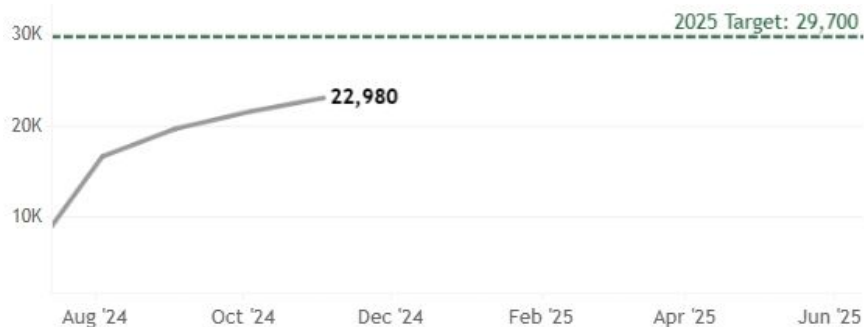


Issue EV rebates for 1,500 old or high-emitting vehicle replacement applicants through Vehicle Exchange Colorado by June 30, 2025.

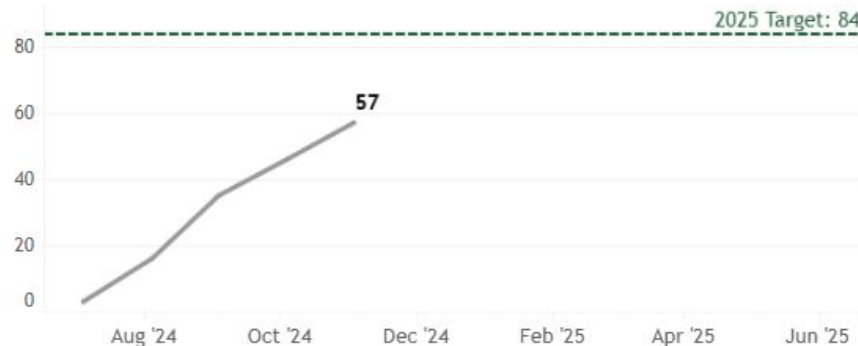


Zero Emission Vehicle Registration - Strategies, 2 of 2

Increase the monthly average of EVCO website views from 28,273 per month in FY24 to 29,700 per month in FY25 by June 30, 2025.



Through ReCharge Colorado, conduct 84 outreach and engagement events, including Ride & Drives, by June 30, 2025.



Building Emissions Reduction

Implement programs that achieve an estimated \$10,298,402 in cost savings resulting from energy efficiency, conservation, and renewables in the built environment, which includes homes and buildings, by June 30, 2025.

Successful completion of this goal will reduce the energy burden on 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 Colorado.



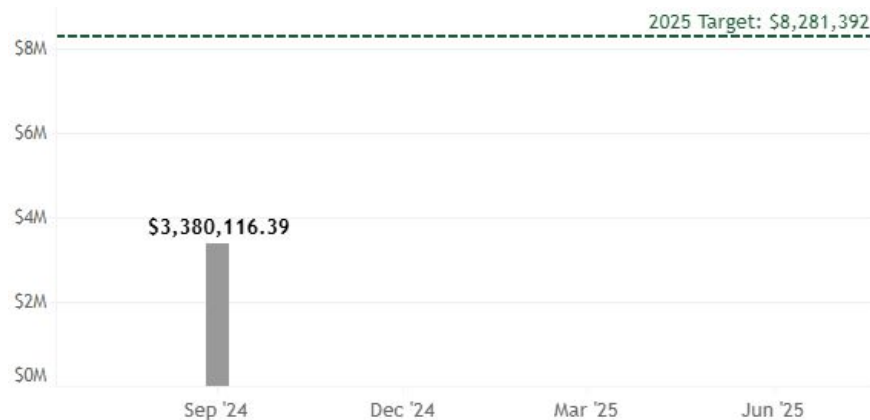
Building Emissions Reduction - Strategies, 1 of 2

The CEO will achieve this goal through the following strategies:

Conduct 40 Energy Performance Contracting (EPC) 101 presentations around the state by June 30, 2025.



Allocate the remaining \$8,281,392 in Building Electrification Grant funds by June 30, 2025.



Building Emissions Reduction - Strategies, 2 of 2

Increase estimated energy savings for the Weatherization Assistance Program (WAP) through a variety of services from 28.5 MMBtu to at or above 30 MMBtu per home per year by June 30, 2025.



Maintain average overall customer satisfaction rating of at least 4 out of 5 for surveyed clients of the Weatherization Assistance Program through June 30, 2025.



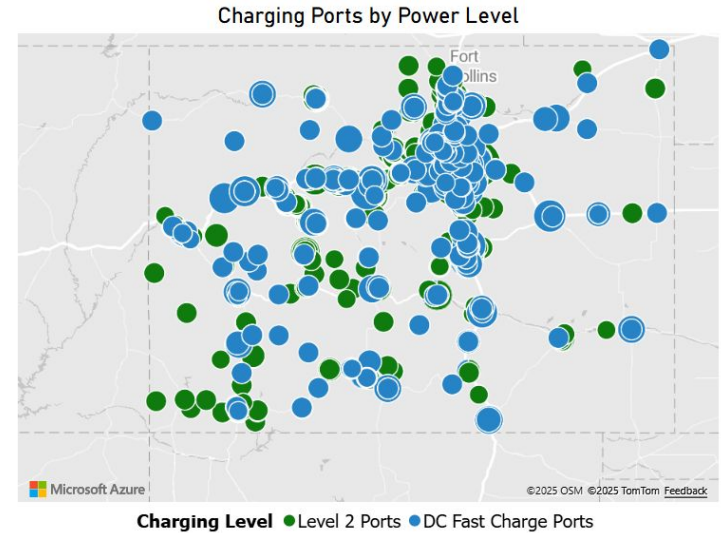
More Information

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 2024-25 Performance Plan](#).

CEO Performance Management

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



CEO Website

- Launched new website in September 2024; built w/ accessibility as a priority.
- Siteimprove accessibility score: 97.9%
- Blind Institute of Technology (BIT) completed manual testing of key webpages in December 2024
- Updates to website to improve accessibility are underway

Other Updates

- Ongoing biweekly office hours/accessibility training with GOV office accessibility coordinator
- Full time remediation specialist hired to support GOV, CEO, and OEDIT
- CEO staff are connected with GOV accessibility coordinator for document remediation and technical assistance
- CEO staff are encouraged to take relevant accessibility training available in SOC learns

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



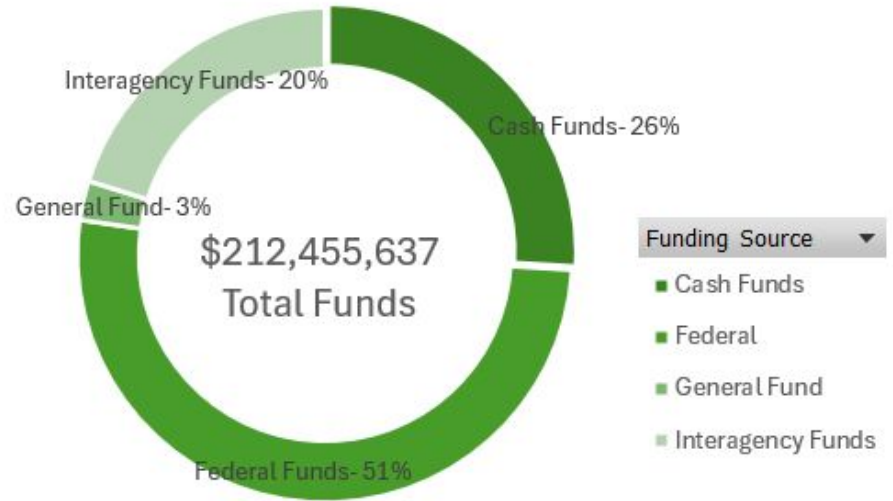
CEO FY 2025-26 Budget Request

FY 2025-26 Budget Request Snapshot

FY 2025-26 Total Funds: \$212,455,637¹

FY 2025-26 General Fund: \$5,442,708

¹ This includes non-appropriated funds for transparency



Legislative Priorities - Budget Related

A Budget Positive legislative proposal to support state climate priorities, while alleviating budget concerns.

Part 1 - Enterprising Future Revenue from EV Cash Fund

- This will free up significant room in the general fund long term - anticipating about \$1.9 million in year one, growing to \$17-20 million by end of decade.

Part 2 - Funds Transfer to Sustainably Fund CEO

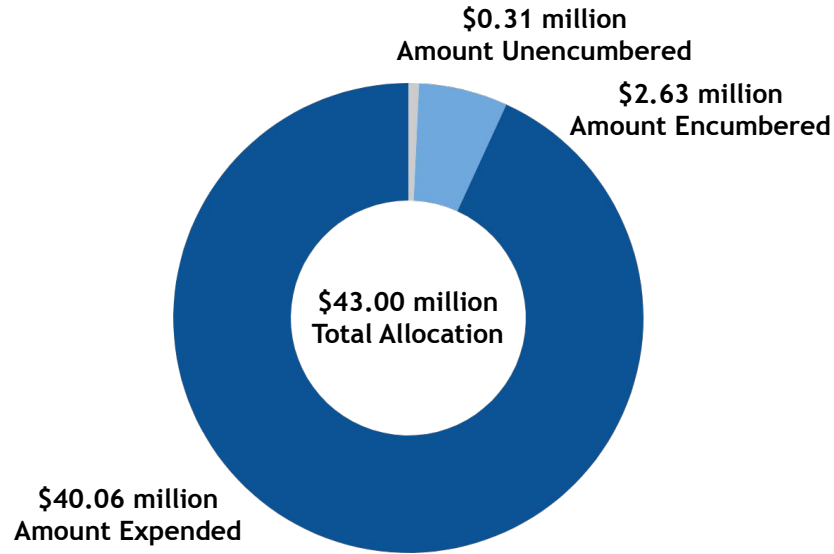
- Transfers \$ 1.4 M to the General fund from Cannabis Resource Optimization Program (including an ongoing \$.5M annual reduction), and increases the appropriation to the CEO General Fund Program Administration line by \$655k beginning in FY25-26 and another \$560k beginning in FY26-27 for a total of \$1.2 million ongoing funding.

Legislative Priorities - continued

- **Updating Clean Energy Planning for 2040** - Setting a 2040 emissions target of near 100% emissions free electricity
- **Implementing Building Decarbonization** - Updates to Building Performance Standards program, and supporting long term technical and financial assistance to buildings through a Building Decarb Enterprise
- **On-Bill Finance** - Utilities provide Coloradans with low-interest loans for home clean energy upgrades, paid back via utility bills
- **Measures to Support Local Govt Climate Action** - Solar App Grant Fix, Expand Alternative Transportation Options Credit, and local EV incentives

Stimulus Funding Implementation

Overall Spend Status - CEO



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



Major Climate Accomplishments in 2024, 1 of 6

#1 in EV Adoption

EV sales across all US states shows that in the 3rd quarter of 2024, Colorado passed California to become the top state in the country for EV Sales, with EVs making up **25.3% of new vehicles sold** in the state. In 4th quarter this grew to 31.5%



Major Climate Accomplishments in 2024, 2 of 6



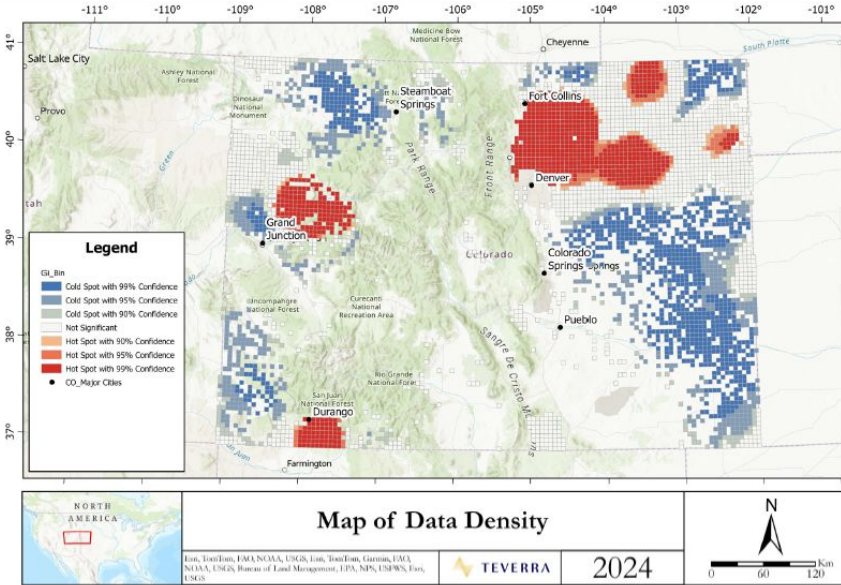
Approval of Clean Heat

Xcel Energy's Clean Heat Plan was approved by the PUC in May 2024, directing more than \$440 million to electrification and energy-efficiency measures to reduce reliance on the gas system and cut annual emissions by 725,000 tons CO₂e.

Major Climate Accomplishments in 2024, 3 of 6

Major Rulemakings to Support Climate Transition

Major rulemakings were completed at the Energy & Carbon Management Commission on geothermal energy development and carbon capture, utilization and sequestration; and at the Air Quality Control Commission on midstream oil and gas operations.



Major Climate Accomplishments in 2024, 4 of 6



Awarded Hundreds of Millions in Competitive Federal Awards

State Agencies, local governments, utilities and others have been awarded significant amounts of competitive award funding to implement climate and energy focused programs and projects.

Major Climate Accomplishments in 2024, 5 of 6

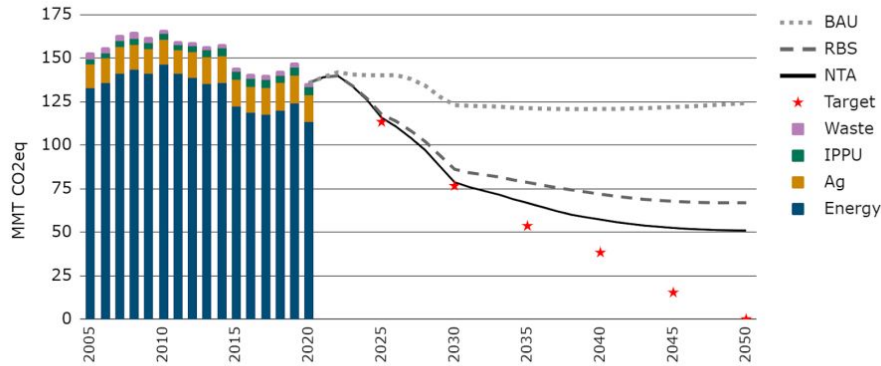
Passage of Major Land Use, Transit and Housing Legislation that will substantially reduce emissions

After landmark legislation in 2024 session, a CEO-led analysis concluded policies similar to what passed (focusing on higher density development) could reduce building emissions associated with new development by 30% and transportation emissions by nearly 15%.



Major Climate Accomplishments in 2024, 6 of 6

Statewide Historical, Projected and Target Emissions



Release of Roadmap 2.0, on Track to substantially achieve GHG Goals

Released GHG Roadmap 2.0 in February 2024, committing to 49 “Near Term Actions” to reduce emissions. Modeling released in November showed Colorado is expected to achieve 94% and 97% of the statewide 2025 and 2030 reduction goals, respectively.

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Questions?

Appendix

Federal Funds Applied For/Received

CEO Formula Funds from IIJA:

Title	Description	CO \$	Timeline
State Energy Program	Flexible funding to enhance energy security, advance state-led energy initiatives, and increase energy affordability.	\$6.9M	AWARDED
Weatherization Assistance Prgm	Funding to support existing weatherization assistance programs for income qualified households	\$50.1M	AWARDED
Grid Resilience Funding (GRID)	(1) Microgrids for Community Resilience with DOLA and (2) grid hardening, advanced monitoring and TA	\$17.2M	AWARDED
Energy Efficiency Conservation Block Grant (EECBG)	60% regranted to support local governments with staff to support or pursue climate action strategies and policies	\$2.1M	AWARDED
Energy Efficiency Revolving Loan Fund	Funding to provide loans and grants for energy efficiency audits, upgrades, and retrofits	\$1.6M	AWARDED



Federal Funds Applied For/Received

CEO Formula Funds from IIJA continued:

Title	Description	CO \$	Timeline
National Electric Vehicle Infrastructure (NEVI) - supporting CDOT	Subrecipient of CDOT. Funding to states to strategically deploy electric vehicle (EV) charging stations and to establish an interconnected network to facilitate data collection, access, and reliability.	\$57M	Colorado was one of the first 35 states to have its NEVI Plan approved by the FHA in September 2022.

Federal Funds Applied For/Received

Competitive funds CEO was awarded from IIJA:

Title	Description	National \$	Timeline
Building Codes Implementation for Efficiency and Resilience	Program to enable sustained, cost-effective implementation of updated building energy codes to save customers money on their energy bills.	\$225M	\$2.5M to support Advanced Energy Code Adoption
			\$2.5M to support the Building Performance Standards program

Federal Funds Applied For/Received

Funds CEO will receive from IRA funding:

Title	Description	CO \$	Timeline
High Efficiency Electric Home Rebate Program	Electrification of efficient appliances	\$70.3M	AWARDED
Home Energy Performance-Based, Whole Home Rebates (HOMES)	Energy efficiency retrofits with savings based on energy saved, either modeled or measured	\$69.9M	AWARDED
Training for Residential Energy Contractors (TREC) - FORMULA	Training for contractors involved in installation of heat pumps	\$2.5M	AWARDED
Training for Residential Energy Contractors (TREC) - COMPETITIVE	Training for contractors involved in installation of energy efficient equipment	\$2M	Preparing Application

Federal Funds Applied For/Received

Funds CEO will receive from IRA funding:

Title	Description	CO \$	Timeline
Assistance for Latest and Zero Building Energy Code Adoption - FORMULA	To provide grants to states or units of local government to adopt updated building energy codes, including the zero energy code.	\$12.2M	AWARDED
Assistance for Latest and Zero Building Energy Code Adoption - COMPETITIVE	Collaborative Solutions to Scale Building Performance Standards for Under-resourced Bldgs	\$20M	AWARDED

Federal Funds Applied For/Received

Formula / Competitive funds CEO will pursue from IRA (not comprehensive):

Title	Description	Nat. Total \$	Timeline
Climate Pollution Reduction Grants	<p>Program to develop and implement plans for reducing greenhouse gas emissions.</p> <ul style="list-style-type: none"> • \$250 million for planning grants (\$3M/state) • \$4.6 billion for competitive implementation grants up to \$500M per award 	\$5B	AWARDED \$3M Planning \$129M Implementation
Greenhouse Gas Reduction Fund	<p>\$20B for grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas emissions, with an emphasis on projects that benefit low-income and disadvantaged communities and \$7B for low-income solar (Solar for All).</p>	\$27B	AWARDED \$156M Solar for All

Legislative Reports from CEO 2025

Microgrid Roadmap	2024 EV Plan Report
Community Access Enterprise Annual Report	Public Building Electrification Grant Program Report
Sustainable Rebuilding Program Fund Report	High Efficiency Energy Heating and Appliances Grant Program Report
Clean Air Grant Program Progress Report	Geothermal Energy Grant Program Report
E-Bike Rebate Program Progress Report	Clean Hydrogen Tax Credit Standards
Standards Adopted for Decarbonization Tax Credits -- Industrial Clean Energy Tax Credit, Geothermal, Heat Pump, E-bike, Sustainable Aviation Fuel	Low-Income Utility Payment Assistance Report
Streamlined Solar Permitting/Inspection Grant Report	Statewide Resource Adequacy Aggregate Annual Report
Ozone Season Transit Grant Program and Youth Free Fare Program	Local Govs Renewable Energy Projects
CEO Report on Grants from SB21- 230	Buildings Energy Performance Benchmarking
SMART Act (note this includes WAP Grants report)	Carbon Management Roadmap
EV Charger Permitting Model Code	Accelerated Adoption of Heat Pump Technology Study
Biannual GHG Report	Windows and Doors Standard Review

Decarbonization Tax Credit Report

HB23-1272, created tax credits for electric vehicles, electric trucks and buses, electric bicycles, air source and ground source heat pumps, sustainable aviation fuels, industrial decarbonization, and geothermal.

This Report opines on the greenhouse gas emissions impacts of these various programs.

Though many programs are in their first year, and do not yet have metrics, the **e-bike tax credit** has led to an estimated reduction in CO₂ emissions for 2024 of 989 metric tons; this is equivalent to the greenhouse gas emissions from 235 gasoline-powered vehicles driven for one year

The full report can be found on [CEO's website](#)

Summary of Grants from SB21-230

As part of SB21- 230, Transfer To Colorado Energy Office Energy Fund, passed during the 2021 legislative session, the Colorado Energy Office received funds for the following uses:

- Making grants to the Colorado Clean Energy Fund and the Colorado New Energy Improvement District (NEID) totaling up to \$30 million and \$3 million, respectively;
- Increasing the amounts available through Residential Energy Upgrade (RENU) loans by up to \$2 million; and
- Providing up to \$5 million in additional funding to the Charge Ahead Colorado program administered by the CEO.

CNEID Audit Recommendations Update

In May 2019 and again in March 2024, Sjoberg Evashenk Consulting, Inc. (SEC) issued its performance audit of the Colorado New Energy Improvement District (NEID). The NEID board agreed with the audit recommendations and is on track to implement all on time.

- A. Defining the District's management structure and resource needs
- B. Enhance budgeting and rate-setting practices
- C. Consider whether it is necessary to adjust the administrative fee amount the District charges
- D. Evaluating whether to issue bonds
- E. Evaluating benchmarking data on other state's new energy improvement programs
- F. Determining the resources required to conduct the level of marketing and outreach, financial management, and other program or administrative activities of the C-PACE Program