

**Comment Letter from Colorado Communities for Climate Action
(CC4CA)
Clean Energy Incentive Program Design Details**



RE: Docket ID No. EPA–HQ–OAR–2016–0033

November 1, 2016

To the Environmental Protection Agency:

The local governments that make up the Colorado Communities for Climate Action (CC4CA) – Aspen, Boulder, Boulder County, Eagle County, Golden, Mountain Village, Pitkin County, San Miguel County, Summit County, Telluride, and Vail – are pleased to submit comments in support of the proposed Clean Energy Incentive Program (CEIP).

Our communities collectively represent one-ninth of all Coloradans. We formed the coalition earlier this year around a shared goal to keep our state a special place to live, to work, and to play, by addressing the unprecedented risks that climate change poses. In fact, a number of our communities are either an active party or have amicus status in defense of the Clean Power Plan.

Each of our jurisdictions has established aggressive goals and policies to combat climate change at the local level, and we are working hard to advance our climate protection goals at the local level. For example:

- The City of Aspen runs on 100% renewable energy – getting power from hydroelectricity, wind power and landfill gas.
- Golden aims to have 50% renewable energy goal for the municipal organization by 2027 and a 20% goal for the community by 2027.
- The City of Boulder enacted a voter approved Carbon Tax to fund climate protection strategies. Boulder has a goal of 100% renewable electricity by 2030, with half generated at the local level from clean sources.
- San Miguel County has initiated a Payments for Ecosystem Services (PES) program that provides incentives to landowners in exchange for managing their land to provide an ecological service, including carbon sequestration to support cleaner air.

- Boulder County has served over 14,000 homes and close to 4,000 businesses through the EnergySmart Program.
- The Town of Telluride has allocated over \$300,000 toward energy saving measures and the purchase of solar panels in the community solar farm to offset energy consumption by Town-owned affordable housing units.
- Eagle County invested over \$5M since 2012 in energy efficiency and solar, toward a policy goal of 50% GHG reduction by 2030.
- Vail has a 20% by 2020 emissions reduction target and to date has reduced electricity consumption by 34%.

Despite the progress we have made, we are grappling with the reality that local actions alone cannot reduce carbon emissions at the scale and pace required to meet the climate imperative. Though we are each committed to keep working hard at the local level, we believe that we need aligned state and federal climate policy. That's why we've banded together through CC4CA, Colorado's first consortium of counties and municipalities focused on advocacy of state and federal government to provide the support that communities like ours need to aggressively reduce harmful carbon emissions and to strategically adapt to our changing climate.

In Summit, Pitkin, San Miguel, Boulder, and Eagle Counties, we have a track record of designing, developing, and implementing energy efficiency and renewable energy programs. We believe that the CEIP has the potential to catalyze projects at the local level to further boost energy efficiency and renewable energy adoption and we are eager to lend our support and experience to help to make the program a success.

Given our experiences and understanding of the kinds of projects in the pipeline that could advance with additional investment and incentives, we would like to offer recommendations that focus on the two issues of highest priority to us: ensuring that the benefits of CEIP participation flow to those with the greatest need of clean energy and efficiency programs, and that the CEIP be structured in a way that will drive strong demand for the program and support the development of new projects that would not happen if not for the CEIP credit system.

I. At least half of EPA's reserve of matching allowances and emission rate credits (ERCs) should be allocated for low-income efficiency and solar projects.

Acknowledging that disadvantaged households face a much higher energy burden than the national average, the CEIP aims to support investment in clean energy in low-income communities and to ensure that the CPP benefits Americans most affected by pollution and climate change. It is vital that this remain the primary objective and outcome of the CEIP.

In its proposal, EPA crafted a 50/50 split on the reserves of matching allowances or ERCs that it will award to qualifying renewable energy and low-income projects. The final CEIP should focus on delivering benefits to low-income Americans by reserving a robust pool—at least 50%—of credits for low-income projects, and by clearly targeting incentives to benefit households that face the greatest barriers to clean energy investments.

II. Ensure that incentives go to projects that would not happen otherwise and retire unclaimed or unused credits.

The final CEIP should be crafted to focus early action awards on projects where CEIP credit will truly help to accelerate or secure the deployment of a project that would not be developed otherwise. This will require that EPA consider the CEIP credit structure in relation to existing policies and market conditions – especially in light of the renewable energy tax credit extensions - and identify ways to focus CEIP incentives on advancing projects that would not occur without the program.

To this end, we support EPA’s proposal to retire and not redistribute unclaimed or unused CEIP credits from either the low-income or the renewable energy pool. It is critical to design the program in such a way that will keep the value of the credits high. The worst outcome would be a program that yields low participation.

We encourage EPA to continue outreach to and consultation with local government and community stakeholders as you finalize the CEIP design. We offer our individual and collective assistance and look forward to working with EPA and the State of Colorado towards the successful implementation of the CPP and the CEIP.

Sincerely,



THE CITY OF ASPEN



EAGLE
COUNTY
LIFE AT ITS PEAK



City of
Golden



PITKIN
COUNTY



San Miguel County
Colorado

