



# POLICY AGENDA FOR 2017–2018

Colorado Communities for Climate Action is a coalition of local governments advocating for policies that protect Colorado’s climate for current and future generations. CC4CA’s policy priorities for 2017–2018 reflect unanimous agreement among the coalition members on steps that should be taken at the state level, often in partnership with local governments, to enable Colorado and its communities to lead in protecting the climate. These steps would complement the strong local climate actions CC4CA members already have underway. The policy agenda primarily includes specific policies to be undertaken by the state government, but CC4CA will also be active in 2017–2018 in advocating for federal actions.

## General Policy Priorities

The following general principles guide the specific policies for which Colorado Communities for Climate Action advocates. CC4CA:

- Supports state and federal government collaboration with Colorado’s local governments to advance local climate protection action through the provision of information, technical assistance, funding, and other resources.
- Supports state and federal programs directly and indirectly related to achieving reductions in heat-trapping emissions, and continued and adequate funding of those programs.
- Supports analyses, financial incentives, and enabling policies for the development and deployment of clean energy technologies.
- Supports state and federal impact assistance programs requested by affected communities that are impacted by the reduced use of fossil fuels for power production.

## Specific Policy Positions

Colorado Communities for Climate Action supports the following policy positions:

### Local Climate Programs

**1. Supports state-level actions to remove barriers and promote opportunities that allow counties and statutory cities and towns to maximize the deployment of local clean energy options.**

The deployment of local energy generation and technology will continue to be a critical component of Colorado communities’ climate efforts. In many cases, regulatory or legislative limitations exist that will need to be removed for communities to fully explore new local program options and technologies that can effectively reduce fossil fuel use, increase energy resilience, and support community values related to climate protection. For example, the integration of local

renewable energy, storage technologies, and microgrids all support a local jurisdiction's ability to address the supply side of energy-related emissions.

**2. Supports requiring local governments with adopted building codes to include the 2015 or newer International Energy Conservation Code, or provisions substantially similar to it, in their building codes and to develop a process for updating the energy code on a regular basis.**

House Bill 07-1146, adopted in 2007, required cities and counties in Colorado with building codes to adopt and enforce a building energy code at least as stringent as the 2003 International Energy Conservation Code. That law was effective in stimulating local jurisdictions to adopt an up-to-date model energy code, but the 2003 IECC "floor" is now outdated, which could be remedied by amending the legislation to make the 2015 IECC the new minimum standard. The Southwest Energy Efficiency Project estimates that about 40 percent of new construction in the state is being built in jurisdictions where the 2015 IECC (or better) has been adopted. However, numerous jurisdictions in Colorado are still on the 2006 or 2009 IECC. As a result, new construction there is much less energy efficient than it could or should be. SWEEP estimates the incremental cost for building a new home that meets the 2015 IECC is about \$2,400, relative to a home built to the 2006 IECC. The annual energy savings is worth about \$390, meaning a six-year simple payback.

**3. Supports state government actions to enable local governments to obtain the energy use and other data they need to effectively address climate change.**

Local governments need convenient and consistent access to data that is essential for developing and administering local programs that address clean and efficient energy and reductions in heat-trapping emissions. For example, access to uniform data from electric and gas utilities is critical for implementing building energy use disclosure and benchmarking programs designed to make sure building owners, tenants, and others can be fully informed about energy performance. Local governments also struggle to get consistent data regarding waste collection and disposal, oil and gas operations, and other sources of heat-trapping emissions. CC4CA supports state government actions and policies that lead to uniform systems for collection and distribution of data from investor-owned and public utilities that is easily accessible to local governments, while still protective of data privacy for residents and businesses.

## State Climate-Specific Programs

**4. Supports statutory codification of aggressive and enforceable goals to reduce net statewide heat-trapping emissions, including the goal of reducing emissions by more than 26 percent by 2025, compared to 2005 levels, as established by Governor John Hickenlooper through executive order, and including a further goal of reducing emissions by at least 80 percent by 2050, compared to 2005 levels.**

In July 2017, Governor Hickenlooper issued [Executive Order D.2017-015](#), which, among other things, set an official state goal of reducing statewide heat-trapping emissions by more than 26 percent by 2025, compared to 2005 levels. This would have Colorado do our share to fulfill the national commitment the United States made under the Paris Agreement. CC4CA has applauded

the governor for his action, which provides an essential framework for shaping climate protection actions in Colorado.

CC4CA also supports an additional goal of reducing emissions by at least 80 percent by 2050, building on the goal set in 2008 by then-governor Bill Ritter, Jr., in Executive Order D.004.08. This would have Colorado do our share to achieve the global emission reductions which scientists say must be achieved or even exceeded to protect the climate from dangerous human interference.

CC4CA supports the codification of the state's emission reduction goals in statute, as other states have done, so that they remain the cornerstone of state climate protection actions over time, including following transitions from one governor to another.

**5. Supports legislative, regulatory, and administrative actions by the Colorado state government to achieve the state's emission reduction goals and to implement the Colorado Climate Plan, and requests an opportunity for meaningful, sustained engagement by CC4CA in developing those specific steps.**

New concrete actions are necessary to achieve the state's emission reduction goals established by Governor Hickenlooper and to carry out the Colorado Climate Plan he released in 2015, which is a high-level overview document of state actions for adapting to future climate change impacts and reducing heat-trapping emissions. The governor and other state officials are now considering a new series of steps to develop concrete policy actions to meet the goals of the executive order and the general goals described in the plan. CC4CA believes it essential that the state government provide an opportunity for meaningful, sustained collaboration with local governments in developing specific climate actions, and proposes that representatives of CC4CA be included in that process. Following the July 2017 release of Governor Hickenlooper's executive order, CC4CA initiated a letter to the governor through which 75 local elected officials expressed support for the executive order and its goals and stated their readiness and willingness to help his administration shape and implement concrete, measurable actions that will be needed to meet these goals.

**6. Supports the development of a new forecast of future heat-trapping emissions reflecting Colorado laws and Colorado-specific information by the Colorado Department of Public Health and Environment, with input from local government and other stakeholders.**

The "Colorado Greenhouse Gas Inventory: 2014 Update Including Projections to 2020 & 2030," prepared by the Colorado Department of Public Health and Environment, includes a forecast of statewide emissions that utilizes federal Environmental Protection Agency nationwide assumptions about future emissions policies. As a result, the inventory does not reflect currently adopted Colorado laws and policies, such as our Renewable Energy Standard. Without this information, it is impossible to tell what progress Colorado is already on track to make—or not make—in reducing future heat-trapping emissions. CC4CA in July 2017 sent a letter to CDPHE recommending the development of a new Colorado inventory of heat-trapping emissions that incorporates existing Colorado law and policy in order to more accurately track the state's progress in achieving its emissions reduction goals, and will continue working for that action.

## **7. Supports a comprehensive market-based policy to reduce Colorado’s heat-trapping emissions.**

Climate change is considered a market failure by economists, because it imposes huge costs on society—so-called external costs—that are not normally reflected in the prices of the goods and services causing the cost. To overcome this market failure, CC4CA supports an effort to internalize the costs, by putting a price on heat-trapping emissions and allowing that price to help drive emission reductions. Such a market-based approach could be undertaken at national, regional, or state levels, and could take different forms. One approach would be a tax on heat-trapping emissions. Another would be a cap-and-trade program that allows trading of limited emission rights that are sold and then could be traded to achieve economically efficient emission reductions. Examples are the Regional Greenhouse Gas Initiative in northeastern U.S. states, which includes both in-state and regional trading via the Western Climate Initiative.

## **Electricity Generation**

### **8. Supports concrete state government actions to reduce emissions from the electricity sector in Colorado by at least 25 percent by 2025 and at least 35 percent by 2030, compared to 2012 levels, consistent with the goals established by Governor John Hickenlooper through executive order.**

[Executive Order D.2017-015](#) establishes new state goals for reducing emissions from the electricity sector that are consistent with what the state had under consideration to comply with the U.S. Environmental Protection Agency’s Clean Power Plan under the Obama administration. CC4CA believes that greater emission reductions are possible than called for in the executive order and that further reductions are needed into mid-century, especially given the more ambitious targets that Xcel Energy has identified as achievable in its Colorado Energy Plan currently under consideration by the Public Utilities Commission. CC4CA supports concrete actions by the Colorado Public Utilities Commission and/or the Colorado Department of Public Health and Environment to ensure the new goals in the executive order are achieved, and to achieve greater reductions beyond them.

### **9. Supports the early decommissioning and retirement of existing fossil-fuel based generation facilities and their replacement with clean energy supplies, through means that protect both utilities and consumers.**

CC4CA supports actions in Colorado to enable the early retirement of fossil-fuel based power plants and their replacement with clean energy sources, while protecting the economic interests of both the utilities owning the power plants and electricity customers.

In the Colorado General Assembly’s 2017 session, CC4CA supported legislation to allow refinancing of older, less efficient power plants, by way of ratepayer-backed bonding, that could make it possible to retire those plants in favor of newer, cleaner sources, while protecting the economic interests of both utilities and consumers. In August 2017, Xcel Energy and more than a dozen other entities (including the City of Boulder, a CC4CA member) announced an agreement to seek approval from the Public Utilities Commission of a proposal to retire two old, coal-fired generators at the Comanche power plant in Pueblo, to be replaced with newer energy sources with lower (or no) heat-trapping emissions. The coalition said the proposal is predicated on the cost of the new energy sources meeting or beating the current cost of power from the power plants to be retired.

Across the nation, the generation of electricity is rapidly and increasingly shifting from coal-fired power plants to less polluting plants, driven primarily by economic forces but sometimes also by governmental policies and actions, from climate action plans to new authority for refinancing existing plants. The shift to cleaner electricity generation is driving down heat-trapping emissions from that sector and holding down overall national emissions.

**10. Supports preservation of the ability of electric cooperatives to independently purchase local renewable electricity, consistent with the decisions of the Federal Energy Regulatory Commission that both direct and indirect restrictions on such ability are in violation of federal law.**

Tri-State Generation and Transmission Association, first directly through attempts to impose contractual limitations and then indirectly through attempts to impose fees, has tried to keep its customer electric cooperatives from being able to purchase electricity generated from local renewable sources by other suppliers. In decisions involving Tri-State and Delta Montrose Electric Association, the Federal Energy Regulatory Commission has found these attempts to be in violation of the Public Utilities Regulatory Policy Act, which actually requires a coop to purchase such electricity, and has blocked Tri-State from blocking those purchases, either through direct contractual prohibitions or indirectly through the imposition of fees. CC4CA supports preservation of the ability of coops to purchase non-polluting electricity, free from these or any similar limitations, as allowed under federal law and these FERC decisions.

**11. Supports state legislation to incrementally increase the Renewable Energy Standard.**

Colorado's current Renewable Energy Standard requires electricity providers to obtain these minimum percentages of their power from renewable energy sources:

- Investor-owned utilities: 30 percent by 2020, of which 3 percent must come from distributed energy resources.
- Large rural electric cooperatives: 20 percent by 2020.
- Municipal utilities and small rural electric cooperatives: 10 percent by 2020.

This standard has been one of the most effective state policies in facilitating the transition from carbon-intensive fossil fuel electricity sources to renewable sources, and CC4CA supports giving consideration to incrementally increasing the standard for all three types of utilities.

**12. Supports state legislation to require the Public Utilities Commission to consider all environmental and health costs of the fuels used by investor-owned utilities to generate electricity.**

Electric utilities should be required to include the costs of heat-trapping emissions when developing their long-term integrated resource plans, as would have been required under a bill considered in the 2016 session of the Colorado General Assembly. The "social cost of carbon" is the economic cost of the impacts of heat-trapping emissions, which can be used to compare the overall costs and benefits of alternative energy sources. Legislation requiring utilities to generate at least one scenario identifying the impacts of heat-trapping emissions would enable utilities, regulators, ratepayers, and others to better understand the true costs of different choices for electricity generation.

**13. Supports state net metering policies that incentivize distributed generation installations, in ways that are consistent with current net metering policies.**

Participation and customer survey data demonstrate that metering, billing, and rate policies are important to utility customers who invest in distributed energy technologies. Colorado's current net metering policies allow electric customers who make such investments, primarily in the form of rooftop solar systems, to net their solar energy production against their consumption. Available in 43 states, this simple billing arrangement is one of the most important policies for encouraging rooftop solar and other on-site clean energy options. Net metering also helps foster the voluntary reduction of heat-trapping emissions, contributes to the reliability of the electricity supply and distribution systems, supports the residential and small-commercial renewable energy industry, and helps to more quickly replace coal-fired power plants with cleaner sources of energy. In recent years utilities have sought approval from regulatory bodies in many states to either abandon or reduce net metering rates. CC4CA supports Colorado's existing net-metering protocols, and opposes efforts to weaken or eliminate this important clean energy incentive.

## Energy Efficiency

**14. Supports legislative, regulatory, and administrative actions for electric utilities to achieve energy-efficiency savings of 2 percent per year beyond 2020, building on the 2020 goal established by Governor Hickenlooper through executive order. Municipal and cooperative utilities should also adopt and achieve similar efficiency targets.**

In the 2017 session of the Colorado General Assembly, CC4CA supported HB 17-1227, which was enacted to extend an existing law, requiring regulated utilities to achieve electricity savings of 5 percent of retail sales from 2018–2028. Colorado utilities have already demonstrated that they can readily exceed this modest goal. The Southwest Energy Efficiency Project reports that from 2008–16 Xcel Energy and Black Hills Energy achieved 10 percent savings, well over 1 percent per year, with an overall benefit-to-cost ratio of more than two-to-one, and saving households and businesses nearly \$1.4 billion net over that time period. Governor Hickenlooper's Executive Order D 2017-015 set a new goal to achieve 2 percent per year-energy efficiency by 2020, which is readily achievable and should be extended beyond that date.

**15. Supports ongoing and sustainable funding for the Weatherization Assistance Program.**

Low-income and vulnerable households spend a disproportionately large age of their income on energy utility bills. The federal Weatherization Assistance Program was created in 1976 to address this problem. Administered here by the Colorado Energy Office, WAP provides funding to locally administered home weatherization programs to provide free weatherization services to Colorado's low-income residents in order to improve the energy efficiency of their homes. Colorado supplements its annual federal WAP allocation with state severance tax dollars, both of which can be volatile sources of revenue. A stable revenue stream for Colorado's eight WAP programs would support the dual goals of assisting families in reducing their energy bills while promoting safe, comfortable, and energy-efficient housing.

**16. Supports state enabling legislation to provide counties and statutory cities and towns with the same authority held by home rule cities to implement local energy efficiency policies and programs.**

Unlike their home rule municipal peers, Colorado counties and statutory cities and towns in many cases lack authority to adopt and implement energy efficiency policies and programs. For example, only Colorado home rule cities have statutory authorization to enact such ordinances, but they are proven policy tools for improving the energy efficiency and performance of existing buildings, typically commercial and multi-family residential buildings. Enabling legislation is needed to provide Colorado's counties and statutory cities and towns with the authority necessary to enact policies and programs that can support and promote these energy efficiency measures within their jurisdictions.

## Transportation

**17. Supports adoption by the Colorado Air Quality Control Commission of California's motor vehicle emission standards, including requirements for zero-emission vehicles, as allowed by the federal Clean Air Act and as already done by many other states.**

The federal Clean Air Act provides authority for California to adopt its own emission standards for new motor vehicles, if at least as stringent as federal standards, and for other states to adopt the California standards. Twelve states plus Washington, D.C., have adopted California's basic emission standards. These states represent about 35 percent of the nation's population and the same share of new motor vehicle sales. Also, nine states have adopted the specific California standards requiring manufacturers to achieve specified sales of zero tailpipe-emission vehicles (battery-only electric vehicles). CC4CA supports Colorado adopting the California vehicle standards, including those for zero-emission vehicles.

The separate California vehicle standards have enjoyed unusual bipartisan support, including among Colorado's congressional delegation, both as an example of cooperative federalism among federal and state governments and as important for protecting the climate. A June 2017 letter to the Administrator of the U.S. Environmental Protection Agency supporting continuation of the EPA waivers under the Clean Air Act for the California standards was signed by Rep. Mike Coffman, Republican of Colorado, and Rep. Jared Polis, Democrat of Colorado, along with other Congressmen of both parties.

In recent years, the basic California standards have been synchronized with federal emission and fuel efficiency standards. The Trump administration is now considering rolling back the federal standards, which would make the California standards even more important in reducing heat-trapping emissions. Reducing emissions from the transportation sector is increasingly important as emissions from electricity generation have fallen, and transportation is now the sector producing the most heat-trapping emissions.

**18. Supports new state government incentives for the purchase and use of zero emission vehicles, and the development of the infrastructure needed to support the use of those vehicles across Colorado.**

Nationally, transportation has become the sector responsible for the most heat-trapping emissions. Colorado's recent population growth has led to a commensurate increase in vehicle miles traveled, which has overtaken the emissions reductions made possible through the increasing fuel efficiency of the statewide vehicle fleet. Electrification of light- and heavy-duty vehicles, as well as other emerging zero-emissions technologies, holds perhaps the greatest promise for emissions reductions in this sector. CC4CA supports legislative, regulatory, and administrative action to increase the adoption of electric vehicles by investing in electric vehicle charging stations, educating customers about EVs, and providing customer incentives. CC4CA also supports committing a portion of Colorado's share of the Volkswagen emissions control violations settlement to the construction of electric vehicle charging infrastructure across Colorado, an expressly approved use of these funds, as CC4CA urged in comments it submitted to the state in 2016. CC4CA also supports Colorado adoption of the California motor vehicle emission standards (see #17 above), including their provisions on sales of zero-emission vehicles.

## Methane

### **19. Supports additional Air Quality Control Commission action to reduce emissions of methane from oil and gas operations.**

Methane has a much more potent (although short-lived) heat-trapping effect than carbon dioxide, and reducing methane emissions is a highly effective way to buy some time for more comprehensive actions to reduce carbon dioxide emissions. In 2014 Colorado became the first state in the nation to limit methane emissions from oil and gas operations when the Air Quality Control Commission (AQCC) adopted rules that require oil and gas companies to find and fix methane leaks, as well as install technology that captures emissions of both methane and volatile organic compounds, which contribute to ground-level ozone pollution. Pending is a decision by the AQCC, following an October 2017 hearing, on whether to adopt proposed revisions to these regulations to increase hydrocarbon emission reductions in the Denver Metro Area/North Front Range non-attainment area for inclusion in Colorado's state implementation plan to meet federal ground-level ozone air quality standards. The revisions, which would improve on existing requirements to control equipment leaks at natural gas processing plants and well production facilities, would also reduce methane emissions. The AQCC may also consider adopting similar requirements on facilities on a state-wide basis.

## Solid Waste Reduction

### **20. Supports adoption and implementation of a plan by the Colorado Department of Public Health and Environment to achieve the statewide waste diversion goals established by the Solid and Hazardous Waste Commission.**

Recycling and composting reduce emissions of both methane and carbon dioxide. Colorado has a low solid waste diversion rate of 19 percent, compared with the national average of 35 percent. In August 2017, the Colorado Solid and Hazardous Waste Commission adopted new statewide and regional municipal solid waste diversion goals, including separate goals for 11 Front Range counties and for the remainder of the state for the years 2021, 2026, and 2036. Statewide, the goal is to increase the diversion rate to 45 percent by 2036.

CC4CA supports:

- The development and implementation of a plan to achieve at a minimum the diversion rates adopted by the Commission.
- Colorado Department of Public Health and Environment evaluation of whether additional legislative authority is needed to effectively manage diversion programs, including but not limited to economic and technical assistance for local and regional waste diversion programs and facilities, a concern identified in the 2016 Integrated Solid Waste & Materials Management Plan.
- Consideration of statewide bans of specific materials from landfills, such as the prohibitions now in place on electronic devices and paint products, and advanced disposal fee policies for certain products, such as those already enacted for paints and waste tires.

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